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REPORTS

FROM

THE SELECT COMMITTEE

ON

SOUTH AUSTRALIA;

TOGETHER WITH THE

MINUTES OF EVIDENCE,

APPENDIX AND INDEX.

[Communicated by the Commons to the Lords.]

Ordered to be printed 21st June 1841.

(174.)

FIRST REPORT

FROM

THE SELECT COMMITTEE

ON

SOUTH AUSTRALIA.

9th March 1841.

Jovis, 4° *die Februarii* 1841.

Ordered, THAT a Select Committee be appointed to consider the SOUTH AUSTRALIAN ACTS, and the actual State of the Colony of *South Australia*.

Veneris, 5° *die Februarii* 1841.

A Committee was nominated of,—

Lord Viscount Howick.	Mr. Ward.
Lord Stanley.	Captain A'Court.
Sir George Grey.	Mr. Vernon Smith.
Mr. W. E. Gladstone.	Mr. Raikes Currie.
Mr. G. W. Wood.	Mr. Sotheron.
Lord Viscount Mahon.	Lord Fitzalan.
Mr. Parker.	Mr. George Hope.
Lord Elliot.	

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Five be the Quorum of the Committee.

Veneris, 5° *die Martii* 1841.

Ordered, THAT Mr. Ward be discharged from further attendance on the Committee, and that Sir William Molesworth be added to the Committee.

Martis, 9° *die Martii* 1841.

Ordered, THAT the Committee have power to report their Opinion, from time to time, to The House.

FIRST REPORT.

THE SELECT COMMITTEE appointed to consider the Acts relating to the Colony of South Australia, and the actual State of that Colony; and who were empowered to report their Opinion thereupon from time to time to The House;——Have considered some of the Matters referred to them, and have agreed to the following Resolutions:

1. That on the 7th July 1840, the Colonization Commissioners for South Australia brought under the notice of the Secretary of State for the Colonial Department, the embarrassed state of the finances of the colony.

2. That on the 13th of July, Lord John Russell recommended to the Lords Commissioners of Her Majesty's Treasury, that the Colonization Commissioners should be authorized to raise a loan to the amount of 120,000*l.* on the security of the revenues and public lands of the colony; that the Lords of the Treasury assented to this recommendation on the 18th; and that their Lordships' assent was communicated to the Commissioners on the 20th of the same month.

3. That on the 26th of August, the Commissioners reported that no tenders had been received for the advance of the loan required, and that in the meantime advices from the colony stated, that while the revenue did not much exceed the rate of 20,000*l.* per annum, the current expenditure had risen to a rate approaching 140,000*l.* per annum, which they understood would continue until the instructions which they had sent out could reach the Governor. The Commissioners therefore requested the immediate directions of Her Majesty's Government as to the course which they ought to pursue.

4. That the Lords of the Treasury, after full investigation of the circumstances of the colony, passed a Minute, dated 3 November 1840, of which the following is an extract:

Under these circumstances, my Lords entirely concur in opinion with Lord John Russell, as to the necessity for bringing under the consideration of Parliament, at the earliest opportunity, the whole of the proceedings which have led to the embarrassments in question, in order to a full revision of the system upon which, under the provisions of the Acts relating to South Australia, the government and financial arrangements of the settlement have hitherto been conducted; and my Lords are also of opinion that, until Parliamentary inquiry can be instituted, the contracting of any new engagements by the commissioners, either for the transmission of emigrants or otherwise, should be suspended.

In the meantime, however, my Lords cannot but be strongly impressed with the danger and distress to which the already large population of South Australia, consisting of persons who have legitimately proceeded to, and embarked their property in, the colony, or who have been conveyed and located there under the sanction of Parliament, and who are still almost entirely dependent on supplies from other quarters for the ordinary articles of subsistence, might be exposed by the total subversion of the credit of the local government and institutions, which would probably result from the positive and unqualified refusal and

 dishonour

dishonour of the governor's bills by the commissioners; and my Lords cannot but likewise feel, that great injustice would attend the non-fulfilment on the part of the commissioners of the contracts entered into with parties, who, on the faith of the Parliamentary enactments relating to the settlement, have furnished shipping or stores for emigrants already conveyed or now on the passage to the colony.

To arrest these evils, my Lords conceive that they should be warranted in consenting that such guarantee should be given on the part of Her Majesty's Government, as would enable the Colonization Commissioners still to obtain the further loan, in completion of the sum of 200,000*l.* they are empowered under the Act 4 & 5 Will. 4. c. 95. to borrow on colonial revenue securities, which was sanctioned by my Lords' minute of 17th July, and whereby the commissioners would apparently be enabled to replace to the credit of the emigration fund such amount as would actually be required to meet the liabilities of that fund, on account of emigrants already forwarded, and also to provide for the payment of such bills drawn from the colony as are likely to be presented before the arrangements regarding the colony can be brought under the consideration of Parliament.

In order to do this, my Lords would be prepared to authorize the commissioners to give an assurance to the parties who may be disposed to contract for this loan, that Her Majesty's Government will undertake to recommend to Parliament that, notwithstanding any new arrangements that may be made in regard to the government of the settlement of South Australia, or to the past or future proceedings of the commissioners, provision shall be made for the due fulfilment of the contract with the lenders, and of any stipulations under which the money may be advanced. At the same time, however, it further appears to my Lords, that this guarantee should only be given on the express understanding and condition, that the money thus to be raised shall not be expended except by specific authority from my Lords' Board; it being my Lords' intention that it shall only be made applicable to the liquidation of the liabilities already incurred by the South Australian Commission in this country, or to meet such drafts as may be drawn from the colony, before the prohibition from further drawing could reach the governor; and as the payments on account of the emigration fund, for which my Lords thus propose to provide, will apparently be fully equivalent to the utmost amount to which, at the expiration of the past year, the advances from the emigration to the revenue fund should legally have been left unliquidated, and the transmission of emigrants is in no respect compulsory as to time, my Lords do not deem it necessary or expedient that any sanction should be given for the adoption of measures for collecting or embarking fresh emigrants previously to the meeting of Parliament, or that recourse should be had to the power vested in the commissioners by the Act of 1 & 2 Vict. c. 60. of raising any additional sums to be applied to that purpose.

My Lords likewise conceive, that the guarantee should be given with the further express understanding, that the officer now under despatch to assume the charge of the colonial government, will be strictly enjoined to limit the expenditure of the government to the amount of the revenue collected in the colony, until he shall receive further authority and instructions, and to carry on such surveys only as are requisite for the location of parties who have effected purchases of land, taking care they are conducted on the most economical arrangement that may be consistent with proper accuracy."

5. THAT on the 5th of November Lord John Russell addressed the following letter to the Colonization Commissioners:

Gentlemen, Downing-street, 5 November 1840.

I HAVE the honour to transmit to you a letter from the Secretary of the Treasury to Mr. Stephen, and a minute of the Board of Treasury relating to the pecuniary difficulties of the colony of South Australia.

I entirely concur with the Lords of the Treasury in the view which they take of this subject.

I have consequently to direct you to propose terms for a loan of 120,000*l.*, giving an assurance to the parties who may be disposed to contract for this loan, that Her Majesty's Government will undertake to recommend to Parliament, that notwithstanding any new arrangements that may be made in regard to the government of the settlement of South Australia, or to the past or future proceedings of the commissioners, provision shall be made

for the due fulfilment of the contract with the lenders, and of any stipulations under which the money may be advanced.

As without this guarantee on the part of Her Majesty's Government, it would be impracticable for the commissioners to comply with the terms of the Act of Parliament relating to South Australia, and that the case is one of emergency, affecting the welfare, the property, and perhaps the lives of the inhabitants of the colony, I consider myself further authorized to direct you not to expend the money thus raised without the specific authority of the Lords of the Treasury, and to comply in all respects with the terms and conditions which their Lordships have laid down in their minute.

I have only further to request, that you will lose no time in acting upon the authority thus conveyed to you.

I have, &c.

(signed) *J. Russell.*

6. THAT notwithstanding the guarantee of the Secretary of State's letter, and of the Minute of Treasury, the Commissioners were unable to raise the sum required; and that the Bank of England having been applied to for advances, under the same guarantee, to meet the exigencies of the colony until reference should be made to Parliament, declined, after conference between the Chancellor of the Exchequer and the Governor and Deputy Governor, to grant the required accommodation.

7. THAT at the present moment the sales by the Colonization Commissioners of land in the colony are suspended; emigration has ceased since the month of August; the bills drawn by the Governor have been protested; the estimated amount of such bills already due and in progress is 97,000*l.*; the amount due to parties in England for services performed is 56,000*l.*; and the debt from the Revenue to the Emigration Fund is 56,000*l.*, making a total deficiency of about 210,000*l.*

8. THAT the bulk of the protested bills appear to have been hitherto retained by the holders in this country, in the expectation of the adoption by Parliament of some measures for providing for their payment; but that there is reason to apprehend that protracted uncertainty and delay respecting such measures will tend seriously to aggravate the existing difficulties.

9. THAT this Committee has been informed that Her Majesty's Government contemplate the necessity of proposing to Parliament measures for the relief of the present financial embarrassments of the colony.

10. THAT while this Committee conceives that the responsibility of any such application to Parliament rests properly with the Executive, it cannot withhold its opinion that provision ought to be made to meet the actual engagements incurred under the authority of the Resident Commissioner, and the Commissioners appointed under the Act 4 Will. 4. c. 95. and to repay the sums due to the Emigration Fund; and that such provision should not be delayed until after this Committee shall have completed the inquiry in which it is engaged into the South Australian Acts and the general state and prospects of the colony.

9 *March* 1841.

PROCEEDINGS OF THE COMMITTEE.

Martis, 9° die Martii, 1841.

Sir GEORGE GREY in the Chair.

Lord Howick.	Lord Eliot.
Mr. V. Smith.	Mr. Raikes Currie.
Mr. G. W. Hope.	Mr. Parker.
Lord Stanley.	Mr. G. W. Wood.
Sir. W. Molesworth.	Mr. Sotheron.
Lord Mahon.	Mr. Gladstone.
Lord Fitzalan.	Captain A'Court.

Resolutions drawn up by Lord *Stanley* were laid on the table and read.

Resolutions 1 to 8, read, amended and agreed to.

Resolution 8 read, and proposed by Lord *Stanley.*

"THAT if it be in the contemplation of Her Majesty's Government to propose to Parliament any measures for the relief of their embarrassments, any uncertainty or delay respecting such measures cannot but tend seriously to aggravate the existing difficulties; but in the opinion of this Committee, the responsibility of an application to Parliament to sanction any aid from the public funds to meet the financial difficulties of the colony, rests properly with the Executive; and that this Committee, while it will direct its anxious and unremitting attention to the consideration of the Acts relating to South Australia, and to the actual state of the colony, cannot undertake to offer any opinion whether, or in what manner, such aid shall be afforded."

Amendment proposed (Mr. *V. Smith*), from the first word "That," to leave out the words to the first "to" in order to insert these words:

"THAT the bulk of the protested bills appear to have been hitherto retained by the holders in this country, in the expectation of the adoption by Parliament of some measures for providing for their payment; but that there is reason to apprehend that protracted uncertainty and delay respecting such measures will tend seriously to aggravate the existing difficulties."

Question put, "That the words proposed to be left out stand part of the Resolution."

Ayes.	Noes.
Captain A'Court.	Lord Eliot.
Lord Howick.	Lord Fitzalan.
Lord Mahon.	Mr. R. Currie.
Mr. G. Hope.	Mr. V. Smith.
Lord Stanley.	Mr. G. W. Wood.
Mr. Gladstone.	Sir W. Molesworth.
Mr. Sotheron.	Mr. Parker.
Ayes 7.	Noes 7.

The Chairman gave his vote with the Noes.

So it passed in the negative.

Resolution proposed (Mr. *V. Smith*):

"That the bulk of the protested bills appear to have been hitherto retained by the holders in this country, in the expectation of the adoption by Parliament of some measures for providing for their payment; but that there is reason to apprehend that protracted uncertainty and delay respecting such measures will tend seriously to aggravate the existing difficulties."

Question put, and agreed to.

Resolution 9, proposed by Mr. *Vernon Smith.*

"That this Committee has been informed that Her Majesty's Government contemplate the necessity of proposing to Parliament measures for the relief of the present financial embarrassments of the colony."

Question put, and agreed to.

Resolution

Resolution 10, proposed by Mr. *Vernon Smith.*

"That while this Committee conceives that the responsibility of any such application to Parliament rests properly with the Executive, it cannot withhold its opinion that provision ought to be made to meet the actual engagements incurred under the authority of the Resident Commissioner, and the Commissioners appointed under the Act 4 Will. 4, c. 95. that such provision should not be delayed until after this Committee shall have completed the inquiry in which it is engaged into the South Australian Acts and the general state and prospects of the colony."

Amendment proposed (Lord *Stanley*), to leave out from the first word "That," to the first "of," for the purpose of inserting these words:

"This Committee will direct its anxious and unremitting attention to the consideration of the Acts relating to South Australia, and to the actual state of the colony, but that in the opinion of this Committee the responsibility of an application to Parliament to sanction any aid from the public funds to meet the financial difficulties of the colony, rests properly with the Executive."

Question put, "That the words proposed to be left out stand part of the Resolution."

The Committee divided.

Ayes.	Noes.
Lord Elliot.	Captain A'Court.
Lord Fitzalan.	Lord Howick.
Mr. R. Currie.	Lord Mahon.
Mr. V Smith.	Mr. G. Hope.
Mr. G. W. Wood.	Lord Stanley.
Sir. W. Molesworth.	Mr. Gladstone.
Mr. Parker.	Mr. Sotheron.

The Chairman gave his vote with the Ayes.

Amendment further proposed (Sir *W. Molesworth*), after "Act 4 Will. 4. c. 95," to insert these words, "And to repay the sum due to the Emigration Fund."

Question put, "That these words be there inserted."

On a division being called for, it appeared that the Ayes were as follow:

Ayes.	Noes.
Lord Eliot.	
Lord Fitzalan.	
Captain A'Court.	
Mr. R. Currie.	
Mr. G. W. Wood.	
Sir W. Molesworth.	
Mr. Sotheron.	

And the following Members declined voting:

Lord Howick.
Mr. V. Smith.
Lord Mahon.
Mr. G. W. Hope.
Lord Stanley.
Mr. Parker.
Mr. W. Gladstone.

So it was resolved in the affirmative.

Words inserted accordingly.

Resolution, as amended, put and agreed to.

Ordered, THAT the Resolutions, as amended, be reported to the House.

SECOND REPORT

FROM

THE SELECT COMMITTEE

ON

SOUTH AUSTRALIA.

10th JUNE 1841.

Jovis, 4° die Februarii 1841.

Ordered, THAT a Select Committee be appointed to consider the Acts relating to the Colony of South Australia, and the actual State of that Colony.

Veneris, 5° die Februarii 1841.

And a Committee is nominated of,—

Lord Viscount Howick.	Mr. Ward.
Lord Stanley.	Captain A'Court.
Sir George Grey.	Mr. Vernon Smith.
Mr. W. E. Gladstone.	Mr. Raikes Currie.
Mr. G. W. Wood.	Mr. Sotheron.
Lord Viscount Mahon.	Lord Fitzalan.
Mr. J. Parker.	Mr. George Hope.
Lord Eliot.	Sir William Molesworth.

Ordered, THAT the said Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Five be the Quorum of the said Committee.

Veneris, 5° die Martii 1841.

Ordered, THAT Mr. Ward be discharged from further attendance on the Committee, and that Sir William Molesworth be added to the Committee.

Martis, 9° die Martii 1841.

Ordered, THAT the Committee have power to report their Opinion, from time to time, to The House.

Jovis, 10° die Junii 1841.

Ordered, That the Committee have power to report the Minutes of Evidence taken before them to The House.

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SECOND REPORT.

THE SELECT COMMITTEE appointed to consider the Acts relating to South Australia, and the actual State of the Colony;——Have considered the Matters to them referred, and agreed to the following Report:

THE primary object of the South Australian Act appears to have been the establishment of a Colony in which no portion of the Land should become private property except upon the payment beforehand of some sufficient price; and in which the whole of the Land Fund thus accruing should be employed in conveying thither poor Emigrants from the United Kingdom. 4 & 5 W. 4. c. 95.

As a security that the experiment should be carried out according to the intention of the framers of the Act, it was thought expedient to confide the management of it to a Board of Commissioners, specially appointed for that purpose, removable, indeed, by the Crown, but authorized to exercise the powers committed to them without previous reference to any department of the State; it being provided, on the other hand, that the rights of Sovereignty should be retained by the Crown, and that no portion of the Expenses which might be incurred in carrying out the provisions of the Act should fall upon the Mother Country.

Such being the primary object and fundamental conditions of the scheme, it remained to provide some Fund out of which to defray the preliminary charges in founding and governing the proposed Colony, to which the Land Fund was not applicable, and which the Mother Country was not to be called on to advance. For this purpose, the Commissioners were empowered to borrow money to a large amount, and at a high rate of interest, on the security of the future Revenues of the Colony; and to apply it according to their judgment for the general objects prescribed by the Act. For a *bonâ fide* application of the Fund to those objects they were made personally accountable; but as to the mode of application their discretion was not otherwise limited; nor was the validity of their Acts conditional upon the approbation of the Secretary of State or the Commissioners of the Treasury. Vide Col. Office Papers, Nos. 37 and 40, pp. 66, 67.

Before proceeding to point out the nature of the embarrassments which have actually arisen in the attempt to carry out the scheme embodied in this Act, Your Committee would draw the attention of The House to certain fundamental defects which they conceive to be inherent in the scheme itself, as above explained.

In the first place, the agency provided for carrying the provisions of the Act into effect appears to Your Committee to have been injudiciously selected.

The powers which it was proposed to put in commission were very large; the consequences which might ensue from a misapplication of them were of the most serious kind. The Commissioners were to be intrusted with power to contract Debts to the amount of 200,000*l.* at a rate of interest not exceeding 10 per cent., chargeable on the future Revenues of the Colony;—with the entire administration of its Finances, excepting only the Local Revenues, which could not for some years to come be of any considerable amount;—with the principal control over the influx of Population;—and with the duty of taking all those preliminary and precautionary measures upon which the prosperous establishment of the Colony, and even the lives of the first Inhabitants, depended. It appears to Your Committee that so large an administrative power in the discharge of so important a public trust ought not to have been confided to any other hands than those of the recognized Authorities of the country. To devolve them upon a Board, the members of which were to be appointed and removed at the pleasure of the Crown, but over whose proceedings the responsible Ministers of the Crown could exercise no adequate control, was in effect to relieve the Government from its proper responsibility, and transfer it to persons of whose fitness for the office Parliament could take no assurance beyond the judgment of the Ministry for the time being, though the public faith was, to a great extent, implicated in their acts, and pledged to their engagements.

Secondly, In endeavouring to convey the necessary powers to the Commissioners without trespassing upon the Prerogative of the Crown, it appears to Your Committee that the Act created an inconvenient division of authority, and that the powers of Administration were so parted between the two that they could not be effectually exercised by either. The raising of a Revenue by means of Rates, Taxes, and Duties, the appropriation of the Revenue so raised, and the general administration of the Government, were vested by the Act in a Local Board, appointed by the Crown, and subject to the authority of The Queen in Council; whilst the administration, not of the Land Fund only, but of the Fund out of which all the necessary expenses of Government for Surveys, Salaries, Police, Public Works, &c. were to be defrayed, was confided in England to the Commissioners, and in the Colony to a Commissioner, appointed indeed by the Crown, but acting only under their instructions, and subject only to their authority. Thus whilst one department was made responsible for the payment of the Colonial Debt, another had the management of the Fund out of which it was to be paid; and whilst one was responsible for conducting the Public Service, the money by means of which it was to be conducted was placed under the control of another. If the Revenues of the Colony were mismanaged by the Local Government, the Commissioners could not satisfy the Public Creditor; if the Funds raised on the security of those Revenues were mismanaged by the Commissioners, the Government could not conduct the Public Service. Nor is it to be forgotten, that the evils to be apprehended from the conflict of authorities so ill-adjusted, which must be great in any case, were greatly aggravated in this by the distance at which they were exercised, and the length of time before a difficulty arising in South Australia could be removed by a fresh instruction from England.

Thirdly, If the agency was thus ill-contrived, and the authority thus inconveniently divided, a still graver objection may be urged against the mode prescribed by the Act for obtaining those supplies on which the Colony,

during

during its earlier years, was entirely to depend. The uncertainty of the security upon which the money for this purpose was to be borrowed, rendered the borrowing of it not only extremely expensive, as involving a high rate of Interest, but extremely precarious, as subject to all the accidents and fluctuations of the Money-market. From such a source, and under such conditions, neither the most prudent administration, nor the clearest foresight, could at all times command the requisite supply, because the opportunities of borrowing necessarily depended less upon the actual condition of the Colony, truly understood, than upon the rumours and opinions of it that might be current in the City. Yet, upon the chance of the requisite supply being always obtainable, thousands of poor persons were to be sent out and left in a country, dependent, as to all the primary wants of social existence, upon regular remittances of money borrowed upon this security. It is needless to point out what serious consequences were to be apprehended, even from a temporary interruption of these remittances, or by what a variety of unforeseen accidents such an interruption might be caused.

Fourthly, The provision by which it was intended to secure the Mother Country against any loss eventually accruing through the project, is obviously inadequate; the security consisted of a sum of £.20,000 placed in the hands of trustees, as a fund for the discharge of any pecuniary obligations which the Commissioners, having contracted, might be unable to meet. The Commissioners were authorized to contract obligations to the extent, as above-stated, of £.200,000. In the event of its proving impracticable to raise an adequate Colonial Revenue for the liquidation of the claims due upon the debt thus contracted, the only remaining Fund available (the Commissioners not being personally liable, except in cases of wilful misapplication) was the proceeds of future Land Sales, which, by the very emergency, would be reduced to an inconsiderable amount. The burden, not only of satisfying the Public Creditor, but of rendering to the Colonists such pecuniary assistance as they would in that case require, would then inevitably fall upon the Mother Country; and £.20,000 was far from providing an adequate indemnity against such a contingency.

Col. Office Papers, p. 66.

Such, it appears to Your Committee, are the inherent defects of the Act under which South Australia was established; nor does it appear that any of them were removed by the amended Act which was passed in July 1838. That Act enlarged the powers of the Commissioners, but it failed to provide any better security for a judicious exercise of them. It did not introduce greater unity of action by combining in one Department the divided powers and separate responsibilities from which so much inconvenience was to be apprehended, and so much had been actually felt. It enabled the Commissioners to raise Money on more economical terms; but it provided no new Fund out of which the Debts so contracted might be repaid, nor did it bring the existing Fund more within their control. It authorized them, moreover, to borrow from the proceeds of the Land Sales for the General Services of Government, subject to a proviso as to repayment, apparently intended to place a distinct limit on the amount of such advances, but the terms of which were so vague, that, according to one construction placed on it, it would have sanctioned an accumulation of debt to an indefinite amount.

1 & 2 Vict. c. 60.

Turning from the provisions of the Act to the Measures which have been adopted for carrying them into effect, Your Committee find ample proof that

the errors of the principle have not been corrected in the practice. Without, however, entering into a detail of the circumstances by which the harmony of the Colony was disturbed and its progress interrupted during the first two years of its existence, (the particulars of which may be found in the Papers appended to this Report,) they proceed at once to explain the nature and origin of the embarrassments which have led to the present Inquiry.

Col. Office Papers, pp. 55–62.—Third Annual Report.

The late Board of Commissioners, consisting originally of ten members, assumed their functions in April 1835, and continued in the exercise of them until January 1840. At that period a new Board, consisting of three Commissioners for the general purposes of Colonial Land Sales and Emigration, was constituted; and the duties of the South Australian Commissioners were transferred to the members of that Board, who still continue to discharge them.

Col. Office Papers, p. 52.

Id. p. 81.

The late Board began by drawing up elaborate Instructions for their Officers resident in the Province, by which it was designed to keep the Expenditure exactly regulated on principles of strict economy. These Instructions were revised and approved by the Commissioners of Audit, and, could they have been duly adhered to, would undoubtedly have prevented any immediate embarrassment in this Country. It appears, however, that owing partly to the inexperience and inefficiency of their Officers, and partly to the impracticability of keeping the Expenditure within the prescribed limits without sacrificing other objects still more urgent, a punctual attention to these Instructions was not to be obtained. Before the arrival of Colonel Gawler, in October 1838, the Accounts had fallen into confusion; the Salaries into arrear; the Surveys could not be proceeded with at the rate required; the Treasury was exhausted; and Bills on the Commissioners, to the full amount authorized for the whole of that year, had been drawn during the first six months.

Second Annual Report, Appendix.

Colonel Gawler's Despatch, 26 October 1838, App. p. 240.

Such was the condition in which Colonel Gawler found the public affairs of the Colony on his arrival to assume the double office of Governor and Resident Commissioner. The union of these offices in his person, which had been recommended by the Commissioners, and acceded to by Lord Glenelg, in order to obviate as much as possible the inconvenience arising from that divided authority to which Your Committee have adverted, secured, as far as the Local Government was concerned, unity of action between the financial and the general administration. Although one source of the embarrassments which had impeded the administration of the Government in the hands of his predecessor was thus removed, Colonel Gawler's position was one of great difficulty. The condition of the Colony on his arrival made it absolutely necessary that he should assume a large responsibility in deviating from his Instructions. He was compelled at once to draw Bills on the Commissioners to an amount far beyond his general authority; and he warned them that they must expect more of the kind. The Commissioners approved the course he had adopted in the exigency; and from time to time, in compliance with successive representations from him, they appear to have sanctioned a considerable increase of Expenditure.

Col. Office Papers, p. 61.

Col. Gawler's Desp 26 & 27 Oct. 1838, App. p. 240.

Commissioners' Despatches, 31 May & 2 Aug. App. pp. 241. 243.

Commissioners' Letter to Lord John Russell, 7 July 1840, Col. Office Papers, p. 84.

Colonel Gawler still continued to represent in strong terms the difficulties of his situation, and the necessity of largely exceeding the prescribed

scribed limits of his Expenditure, without, however, furnishing any detailed Statements from which a conjecture could be formed as to the probable amount which he would require; and in his anxiety to provide for the rapidly increasing Population, to render the Public Departments efficient, to advance the Surveys, and to construct a variety of Public Works which he deemed absolutely indispensable, he became involved in a series of Expenses, so large, and increasing at so rapid a rate, that they must soon have exhausted the whole of the original Fund which the Commissioners were permitted to raise. From Statements laid before Your Committee by the present Commissioners, it appears that the Bills drawn from South Australia during 1838 amounted to £. 18,121; during 1839 to more than £. 44,000; and during 1840 to upwards of £. 123,000.

Col. Gawler's Despatches, 8 April, 18 July, 23 Aug., 26 Oct., 26 Nov. 1839. App. pp. 249. 251. 254. 258.

Col. Gawler's Despatches, 3 & 26 Feb. 1840. Col. Off. Papers, p. 94. 97.

App. p. 192. 331.

As these increasing demands continued to pour in upon the new Board, they thought it their duty to lay the case before Her Majesty's Government, with whose sanction they continued to honour the Bills (endeavouring in the meantime to raise a Loan of £. 120,000, as stated in the First Report of Your Committee), until the 20th of August, when it became evident that the whole amount of the original Loan which the Act empowered them to raise would not be sufficient to meet the demand. From that time they declined all further Payments, abstained from all further attempts to raise a Loan, and referred the matter to the decision of Her Majesty's Government. Bills drawn upon them by Colonel Gawler were afterwards presented, amounting, on the 1st March last, to £. 69,247; the amount of others to be expected was at that time estimated at £. 28,400; and the remaining Outstanding Claims against the Commissioners at £. 56,255; making a total of nearly £. 155,000, for which sum Parliament has already made provision by way of temporary advance.

Commissioners' Letters to Lord John Russell, 7 July & 26 Aug. 1840. Col. Off. Papers, pp. 84. 91.

App. p. 177.

App. p. 191.

In addition, however, to the direct Pecuniary Obligations, for the discharge of which provision has thus been made, there is a further obligation, which, though not expressly owing to individuals, the Commissioners ought, as it appears to Your Committee, to be enabled to discharge. This is a sum of £. 56,746. 14*s*. 8*d*. borrowed under the authority of the Act 1 & 2 Vict. c. 60, from the Fund derived from the Sales of Land, and applied, in aid of the Revenue Fund, to the general purposes of Government. The Act which authorises the appropriation of a portion of the Land Fund to these purposes, requires that the whole sum so applied should be replaced; and since the appropriation of the entire proceeds of the Land Sales to the purposes of Emigration is one of the fundamental principles of the Act, and large portions of Land have been purchased by individuals with an express understanding to that effect, Your Committee are of opinion that Provision ought to be made for enabling the Commissioners to repay this sum to the Emigration Fund.

App. p. 191. *See* also Mr. Villiers' evidence, 1935–1941.

By this further advance, Your Committee have reason to believe that all Claims now outstanding will be satisfied; and it will remain for Parliament to take such measures, with regard to the future government of the Colony, as it may deem expedient.

Before proceeding, however, to the consideration of these measures, Your Committee feel it to be their duty to submit some further Remarks upon the matters above detailed. In consulting as to the steps which it was expedient to take in the immediate exigency, they thought it right to inquire

carefully into the nature of those transactions and the conduct of the parties implicated in them, by which the express intentions of the Act, in one of its most essential features, have been frustrated, and a financial embarrassment of so serious a nature created within so short a space of time. The responsibility for this embarrassment has been variously charged upon three different parties. It has been imputed by some to the extravagant Expenditure of Colonel Gawler, and excessive deviation from his Instructions; by others, to the want of proper foresight and precaution on the part of the late Board, under whose arrangements the embarrassment has arisen, while the Chairman of that Board, who is also a member of the existing Commission, imputes to his present colleagues, not indeed the creation of the embarrassment, which he attributes to causes over which they could have no control, but a neglect to raise a Loan at a sufficiently early period to postpone the crisis which has occurred.

With regard to the last, it appears to Your Committee that no part of the responsibility can be justly charged upon the present Board, inasmuch as the causes which have produced the actual results were in operation when they entered on their duties, and no measure which they could legally have taken could have availed either to arrest the progress of expenditure in the Province, or to provide adequate means of meeting it. Had they been able from the first day of their appointment to foresee the issue, they could not have prevented it. Long before any Instructions from them could have reached Colonel Gawler, Bills would have been drawn upon them which they could not, after satisfying other outstanding claims, have raised funds sufficient to discharge without fresh powers derived from Parliament. Had they succeeded in raising the Loan which they at one time contemplated, they might, indeed, have postponed for a short time the crisis which has arrived, but they would not have saved the Colony from ultimate Insolvency.

With regard to Colonel Gawler, Your Committee are not in a situation to pronounce a decided opinion, as his complete defence has not yet reached this country. They think it right, however, to direct the attention of The House to the Despatches which have been very recently received from him, and which have been laid before Your Committee, as containing his general statement of the grounds on which he rests his own justification. In considering his conduct, it is impossible to doubt the fact, on which he so much relies, that the affairs of the Colony, when he entered on the duties of his office, were in a state of the greatest confusion, and that the difficulties with which he had to contend were most embarrassing. It further appears, that very shortly after his arrival in the Colony, he represented these circumstances to the Commissioners, and gave them reason to expect a considerable excess of Expenditure above what had been provided for. It is also due to Colonel Gawler to observe, that the general character of his Administration has been spoken of in terms of strong approbation, even by those who have censured his Expenditure as excessive, and that among the witnesses examined, even those who have pronounced this censure most decidedly, have been unable to point out any specific items by which it could have been considerably reduced, without great public inconvenience; whilst the chief item which has been quoted with that view, namely, the Expenditure incurred on account of the Government House and Public Offices, was one which the late Board had authorised.

28 Dec. 1840, and 18 Jan. 1841, App. pp. 298. 330.

See Mr. Gliddon's Letter, 15 Nov. 1839, App. p. 250.

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Your Committee entertain no doubt that Colonel Gawler was actuated in the course which he pursued by the most earnest desire to advance the interests and promote the prosperity of the Colony; nor can they undertake to state to what extent he may have been justified by imperative necessity in involving the Colony in an Expenditure so far exceeding his authority. Neither are they prepared to affirm the insufficiency of the grounds on which he has alleged his inability to furnish information as to the specific services for which he was about to draw, or to supply any Estimates of the total amount for which he should be compelled to draw in the course of the year. At the same time they cannot but observe, that the Commissioners were thus left in a position of extreme embarrassment, and that the Expenditure which was thus incurred, amounted, in the period between October 1838 and October 1840, to nearly the whole of the sum which, under the first South Australian Act, the Commissioners were authorised to raise.

With regard to the late Board of Commissioners, it must be admitted that the arrangements adopted by them for carrying to a successful issue the experiment with the management of which they were entrusted, however carefully they may have been made, have proved in many material points defective. Their Instructions as to Expenditure, though minutely and elaborately drawn up, appear to have been framed without any clear foresight of the necessities of such a community placed in such circumstances; and upon an estimate of the charges to be incurred and the objects to be provided for, totally inadequate, and bearing no proportion to the reality. They had originally set apart a sum of £. 10,000 annually over and above the Revenues of the Colony, out of which they intended that all the ordinary Expenditure should be defrayed. It is now calculated, that after spending the whole Local Revenue, and providing otherwise for the charge of Surveys, which has hitherto been defrayed by drafts upon the Commissioners, and without making any allowance for Public Works, there will still remain to be provided for an annual deficit of about £. 40,000.

Instructions to Col. Gawler, 9 Nov. 1838, Art. 18, and Commissioners' Letter, 31 May 1839, App. pp. 231. 241.

See Mr. Elliot's evidence, No. 1313. 1316. 1336.

Your Committee would, however, be doing injustice to the several individuals on whom the responsibility for the management of these affairs has fallen, did they not add their opinion, that the chief and original error was committed in the Act itself. The Act required that provision should be made for the reception in a vast unexplored wilderness, and for the protection and good government, of a population flowing in at a rate of unprecedented rapidity. The making of all necessary arrangements for that purpose was confided to a Board of Private Gentlemen, not placed by their Commission under any adequate control in the exercise of their duties, and acting at a distance of 16,000 miles from the scene on which the experiment was to be tried. The only provision placed at their disposal for defraying the costs of the undertaking, was a power to borrow money from private capitalists on the security of the future Revenues of that unexplored wilderness; a precarious provision, therefore, and subject to interruption from a variety of accidents which they could neither anticipate nor control. That they have been unsuccessful in the execution of such a charge, is less a matter of surprise than that they should have entertained no apprehension of the result which has taken place, and that up to the termination of their official connexion with the Colony in 1840, they should have apparently conceived that the experiment was advancing to a successful issue.

Your Committee now proceed to state the result of their Inquiries into the present position and prospects of the Province.

The Public Debt charged on the future Revenues of South Australia, including the sums raised by the Commissioners, the advance recently made by Parliament, and the proposed further advance to the Emigration Fund, will amount to £. 296,000. The Annual Interest payable upon it will be about £. 15,000. The number of Inhabitants is supposed to be about 15,000. The ordinary Revenue, which has been progressively increasing, may be now estimated at about £. 30,000. per annum. The ordinary Expenditure, which has been increasing still more rapidly, is now proceeding at a rate amounting, together with the interest of the Loan, to about £. 70,000 a year; and although it may be hoped that some reduction may be effected by the present Governor, Your Committee are unable, from want of detailed evidence in this country, to speak with any confidence on this subject.

App. p. 191.
Mr. Elliot's Ev. 720.
App. pp. 217. 295.
App. pp. 216. 290.
Mr. Elliot's Ev. 1313. 1316. *See* also Commissioners' Letter to Lord John Russell, 12 May 1841, App. p. 290.

With regard to the natural Resources of the Colony, the value of the Produce, and the amount of Revenue which it may hereafter yield, Your Committee have not been able to obtain sufficient data to justify them in pronouncing a decided opinion; they would, however, refer to the evidence given by Mr. Angas, as showing the recent progress of Agriculture, and the aptness of the soil for raising Grain and for Pasturage; to that of Mr. Elliot, in explanation of the quantity of valuable Land still unsold; to a Statistical Report transmitted by Colonel Gawler, and to the general tenor of his Despatches, as encouraging the hope, that, after making allowance for very large tracts of wholly unavailable Land, the natural capacities of the Colony are considerable, and that as its tillage extends, and its stock multiplies, it may in due time yield an ample Revenue, and become a valuable appendage to the British Crown. For the present, however, it does not appear to Your Committee that there are any certain grounds for expecting either such an increase of Revenue, or such a reduction of Expenditure as would obviate the necessity of making provision out of some fund, over and above the ordinary Revenue, for an annual Deficit of a large amount.

3030, *et seq.*
App. pp. 170, 171.

With regard to the Measures which should now be adopted for the better administration of the affairs of the Province, Your Committee would in the first place recommend that the Act 4 & 5 Will. 4, c. 95, under which the Colony was originally cónstituted, and the Act 1 & 2 Vict. c. 60, amending the former Act, should be repealed, and that Legislative provision should be made for placing the Colony of South Australia, as to its general government, on the same footing with other Colonies belonging to the British Crown. They would further recommend that in the Act to be passed for this purpose the present limits of the Colony should be maintained, and that the provision contained in the 22d section of the Act 4 & 5 Will. 4, c. 95, prohibiting the transportation of Convicts to any place within the Colony, on the faith of which Emigrants have proceeded to it, should be re-enacted.

Your Committee have further taken into consideration the expediency of introducing a popular element into the future Legislative Council of South Australia by the addition to it of certain unofficial Members, elected by the inhabitants, a measure which is urged in a Memorial adopted at a Public Meeting of the Magistrates in December 1839, and recommended, with certain conditions, by Colonel Gawler, and by the South Australian Commissioners. By the 23d section of the first South Australian Act, authority

App. pp. 283. 285.

was

was given to the Crown, with the consent of the Privy Council, to grant a constitution of Local Government to the Colony, on the Population amounting to 50,000. Your Committee do not think it advisable that this provision should be re-enacted; but, as they are of opinion that it may be expedient at an early period to grant to the Inhabitants of the Colony a control over its Revenue and Expenditure, by the infusion of the element of Popular Representation into the Local Legislature, they would recommend that in the Act for the future government of the Colony, Her Majesty should be authorized, with the consent of Her Privy Council, to carry this principle into effect. They think, however, that the propriety of adopting such a measure will mainly depend on the capability of the Colony at the time to provide for its own Expenditure; and they deem it indispensable, that before such a change should be effected, permanent provision should be made for certain fixed and definite Expenses on account of the Civil Government of the Colony.

With reference to the financial state and prospects of the Colony, Your Committee have found that one of the heaviest items of charge on its Revenues has hitherto been the expense of Surveys. Confining themselves at present to the consideration of the mode in which this Expense should in future be provided for, Your Committee recommend that it should cease to be borne by the General Revenue of the Colony, and that it should be provided for by an acreable charge, to be declared from time to time by Proclamation by the Governor, on all Land sold, and to be paid by each purchaser in addition to the actual price of the Land. With regard to all future Purchasers no difficulty can arise from the imposition of such a charge; but as a certain quantity of Land not yet surveyed, has already been sold to individuals without any expectation of such a charge, Your Committee think that it will be right that the expense of the survey of such last-mentioned Land only should be defrayed out of the gross proceeds of future Sales of Land in the Colony.

Your Committee are further anxious to call the attention of the House to the important addition which might be made to the pecuniary means of the Colony by an alteration in the present system of selling Land. It appears by the Evidence which has been laid before them, that in the first instance Land in sections of 135 acres, viz. 134 country acres and one town acre, (after an unsuccessful attempt to realize £. 1 an acre), was sold at the uniform price of 12 *s.* an acre; that the priority of choice among the original purchasers was determined by ballot, and that the fortunate individuals to whom chance assigned the advantage of an early selection, had the power of immediately realizing considerable sums by the sale of the right they had thus acquired. 1243-1259.

The result, therefore, was, that while the sum accruing to the Land Fund from the sale was only that produced by the uniform price of 12 *s.* an acre, the public had alienated a property, which, before either capital or industry had been applied to it, was worth a very much larger sum to those who had drawn prizes in the Lottery which took place. Your Committee beg to point out the very different working of the mode of disposing of Land which was adopted in the new settlement at Port Phillip. It is stated by Sir G. Gipps, in a despatch dated 10 December 1839, that 84,208 acres of Land had been then sold by auction in that settlement, since the time when it was first opened in June 1837. Of this quantity 117 acres within the town of Melbourne had been sold at nearly 209 *l.* an acre; 2,249 acres within five miles of

Paper relating to Colonial Land and Emigration Board, Parl. Paper, Sess. 1840, No. 613, p. 14.

of the town had produced about 10 *l.* 9 *s.* an acre, and the remainder, upon an average, 16 *s.* 1 *d.* an acre. Now in this statement, what appears to Your Committee chiefly deserving of remark is, the very great difference shown to exist by free competition in the value of Land, according to its situation, and the advantage which accrued to the public from selling it, not at one uniform rate, but at prices varying in the same proportion. Excluding the actual site of the town, it appears that the Land within five miles of Melbourne brought thirteen times the price of that at a greater distance, though doubtless not really dearer to the purchasers in proportion to the advantages it enjoyed, and that if both descriptions of Land had been sold at the uniform price which those who obtained the more distant lots could afford to pay, the Land around the town, instead of producing the large sum of 25,800 *l.*, would have only yielded about 1,985 *l.*; the loss to the public, and the gain, in some shape or other, to the fortunate purchaser of this Land, being the difference between these two sums, or nearly 24,000 *l.* In point of fact, the sacrifice would have been much greater, since even the price of 16 *s.* 1 *d.* obtained for the Land at a distance from the town is only an average price, and no doubt much of it must have been sold for the minimum price, at that time only 12 *s.* an acre; but when Land is sold at one uniform price, it is obvious that the excess of value of each lot of Land beyond that of the worst lot of similar extent sold at the same time, is what is lost to the public. The recent sale of Land at the newly-formed settlement of Portland Bay has been attended with a similar result; Sir G. Gipps, in a despatch dated the 27th of October last, which will be found in the Appendix to this Report, observes that this sale produced a sum of 17,245 *l.* 10*s.* 5 *d.*; whereas, had the land been sold at the uniform price of 1 *l.* per acre, only 337 *l.* would have been obtained. The Evidence before Your Committee sufficiently proves that the same necessary difference of value between different allotments of Land existed in South Australia; it therefore appears to them that by the mode of sale which was adopted, the interest of the Colony was needlessly sacrificed to a very great extent. One witness has indeed met this objection, by asserting that capitalists could not have been induced to invest in the purchase of Land the sum necessary to found the Colony, had they not had the prospect of obtaining an advantage of this description. Your Committee are not prepared to question the necessity of allowing the original purchasers the benefit of obtaining the Land they bought on lower terms than later applicants, but they conceive that any such advantage conceded to the original purchasers should have been enjoyed by them all alike, and that as even the first allotments necessarily differed very greatly in real value, it would have been more advisable to have determined the priority of choice amongst them by fair competition, than by ballot. A considerable sum might thus have been realized beyond the 12 *s.* an acre, and if that additional sum had either gone to increase the Emigration Fund, or had been applied to the public buildings and roads most urgently required in the first instance, the arrangement would, in the opinion of Your Committee, have proved highly beneficial to all parties.

Vide Appendix, p. 276.

Your Committee have stated thus at length their objection to the mode adopted of selling Land in South Australia, because though it is now too late to correct the error which has been committed so far as regards the sales already completed, the same principle will apply to those which may hereafter take place. As the Colony advances, and each successive district, after being surveyed, is opened for settlement, it will necessarily happen that there will be a very

very great difference in the natural advantages of the different sections offered for sale, and it can therefore hardly fail to follow that there will be numerous applications for the best sections at the very earliest moment of their being ready for purchase. In this case, under the existing system, the priority of choice must be again determined by ballot, in the manner already described as so objectionable. To obviate this evil Your Committee would strongly recommend, that in disposing of Land the principle of competition should be introduced, by which means, as it appears to them, the twofold and important advantage would be gained, of placing all purchasers of Land as nearly as possible upon an equal footing, and of considerably increasing the amount of money received from this source, and applicable to purposes of public utility. Your Committee are aware that it has been objected to the system of selling Land by auction, as hitherto practised in New South Wales and Van Diemen's Land, that its effect has been to expose settlers to great inconvenience, both from the delay to which they are compelled to submit in obtaining Land after their arrival in the colonies, and also from their liability to be deprived of the benefit of their trouble and expense in discovering eligible locations, by persons who either bid against them, or extort the money by threat of competition. Sir J. Franklin, in a despatch which has been laid before Your Committee, expresses a strong opinion in favour of the system of sale at a uniform price and against that of public auction. It appears, however, to Your Committee, that all the objections which have been urged apply rather to the mode in which Land has hitherto been put up to sale in the older Australian Colonies, than to the principle of having recourse to competition, for the purpose of selling Land having peculiar advantages either of soil or of situation at a price proportioned to its comparative value; and they believe that by proper arrangements the benefit of such competition might be secured to the public, without giving rise to the inconvenience which has been complained of as attaching to the system of sales by auction. Before, however, any such improvement can be effected in the mode of selling the Crown Lands in South Australia, it is absolutely necessary that a regular and systematic survey should be made of the territory which it is intended to settle. This indeed is equally indispensable, whatever may be the mode of disposing of Land which may be adopted, and Your Committee beg leave to call the attention of The House to a memorial addressed to the Secretary of State by the magistrates, merchants, and other inhabitants of South Australia, which will be found in the Appendix to this Report, and which points out in strong terms the inconvenience which has arisen from the survey not having been kept in advance of the demand for Land. Your Committee would also call the attention of The House to the evidence given by Mr. Elliot, with regard to the system of special surveys which had been adopted, but which has been recently suspended by the directions of the Secretary of State, and which, it appears to them, is open to the most serious objection.

Vide Appendix, p. 276.

Vide Appendix, p. 283.

Your Committee recommend that the system of special surveys should be permanently abandoned, that the Governor of the Colony, with the assistance of the Surveyor-general, should determine what portions of the territory it is expedient to open for settlement, and that having done so, these should be surveyed as speedily as may be practicable, the officers to whom this important duty is assigned not being liable to be interrupted and delayed in the execution of their task by being called off to survey particular portions of Land which individuals may desire to purchase. In order, however, that such a regular and uninterrupted progress of the survey may be consistent with the enjoyment by

settlers of that "extensive choice" of Land to which the Memorial already mentioned justly attaches great importance, it is indispensable that the survey should be kept well in advance of the demand for Land; that is to say, that a considerable extent of Land, beyond the demand immediately to be expected, should at all times be surveyed. As the survey proceeds, maps showing the boundaries and situation of the sections open for purchase should be prepared and exhibited in some public office. The great difficulty which has hitherto been experienced in South Australia with respect to the survey, has been that arising from its very heavy expense; but the able Report made upon this subject by Captain Dawson of the Royal Engineers, (which has been laid before Your Committee), appears to them to justify the expectation, that in future this expense may be much reduced, and that the survey may, at a moderate charge, (the mode of providing for which they have elsewhere adverted to,) and with a moderate establishment, be pushed on with such rapidity, as to enable the local authorities to offer to settlers as extensive a choice of Land for purchase as can really be required. Of course it would be the duty of the Governor to consult the wishes of the inhabitants as much as possible, in determining what portions of the territory should be first surveyed.

Vide Appendix, p. 340.

Assuming this indispensable requisite towards the introduction of any satisfactory mode of disposing of the Waste Lands to have been obtained, and the survey of the territory to have been extended considerably in advance of the demand for Land, Your Committee would recommend that periodical public sales of Land should be held, at which, as fast as each district is surveyed and divided into sections, the Land contained within it should be submitted to public competition. None of the Land so offered for Sale should be put up at less than the minimum price; but the Governor should have a discretionary power of putting up at a higher price, or of entirely reserving any portions of Land which it may appear to him expedient, with a view to the public interest, to except from the general rule. In the interval between the periodical sales, any Land so put up to auction and remaining unsold, should be open for purchase by the first applicant at the same price at which it had previously been put up to auction. There should be an office constantly open to the public, in which should be deposited maps, showing what sections of Land having been offered for sale and remaining unbought were open for purchase, and where all persons desirous of purchasing, should, at any time, have the right, upon payment of the appointed price, of at once receiving titles to such of these sections as they might select. The effect of this arrangement would be, (assuming the survey to be in such a state of forwardness, that considerably more Land would always be put up to auction at the periodical sales than there would be a demand for,) that, on the one hand, the public would have the benefit of the increased price which open competition would cause to be paid for Lands of peculiar value, while, on the other, the convenience of the settler would be consulted, as, in respect of all lands of average value, the practical working of the system would be precisely the same as that of selling Land at one uniform price. It will be seen by referring to the Evidence, that the method of disposing of Land now recommended, is that which is actually followed in the United States of America.

2631–2642.

If the mode of selling Land just described should be adopted, it appears to Your Committee that it ought to be subject to two exceptions. In the first place, they conceive that Land occupied by licence from the Government should

should not be sold, except at the periodical public sales, without the previous consent of the occupier. It is a practice long established in New South Wales and Van Diemen's Land, and which will, no doubt, be equally followed in South Australia, for the owners of cattle and sheep to occupy large tracts of lands under what are called Depasturing Licences, by which they are entitled, in consideration of a very moderate annual payment, to graze their flocks and herds over Land of which the ownership still remains with the Crown. This is an arrangement which appears to Your Committee to conduce greatly to the advantage both of the individual settlers and of the public. The settler is not compelled to sink a very large amount of capital in the purchase of Land, and is thus enabled to carry on that branch of production for which the Australian colonies appear to be more peculiarly adapted to a far greater extent than would otherwise be practicable, while, at the same time, the evils which experience has shown to flow from the alienation of large tracts of waste Land at low or nominal prices do not arise, and the public ultimately obtains the advantage of selling the Land so occupied, when its value has been raised by the progress of population and settlement. Such being the advantages of this system, Your Committee think it important to point out that the occupation of Land by licence would be greatly discouraged, and in many cases entirely prevented, if a general right were given to the first applicant to purchase Land so held, at the upset price, in the intervals between the periodical sales by auction. In the Report of a Committee of the Legislative Council of New South Wales upon Immigration, which has recently been laid before The House, the following statement is made bearing upon this subject:—"Were the practice then to be introduced of selling in England, at a fixed rate per acre, orders for the selection of such Lands as the purchaser might, on his arrival in the Colony, be disposed to fix upon, it is obvious that great confusion, inconvenience, and even injustice, would be the result. Persons who had been for years in the licensed occupation of particular portions of Land would find themselves required, at a very short warning, to surrender them to the purchasers of those orders." It is obvious that this reasoning, though specifically directed against the plan then in contemplation for selling in England orders for Land, would equally apply as against conferring an unrestricted right upon the first applicant in the Colony of purchasing at the upset price all Land which had once been put up to auction and remained unsold. A little farther on, the same Report states that, "The occupier of Land under a licence is admitted to have acquired no permanent title whatever to the Land itself, or to any improvements which he may make in it. Still, when the Land is to be disposed of, it must be equitable that the occupier under the sanction of Government, paying a valuable consideration for the permission, should at least have an opportunity of becoming the purchaser, if willing to pay a higher price than others. Instead of this, if the suggested system were to be brought into operation, he would be always liable to have others put in over his head without his even knowing that his Land was to be sold; he would never be secure against the sudden overthrow of all his reasonable calculations, accompanied by the loss of all his improvements. The practice of selling by public auction to the highest bidder, with the previous notice given of the time and place of sale, appears to Your Committee to be at once the fairest and most advantageous." Such is the opinion expressed by gentlemen in that Colony who have the best means of forming a correct judgment upon the subject. Adopting their views, Your Committee would recommend that Land held by licence from the Government

Parl. Paper of 1841, No. 241, p. 5.

should never be sold, unless with the consent of the occupier, except by auction at the periodical sales; perhaps it might be proper to add that, even at such sales, it should not be put up to auction unless upon previous application, of which due warning had been given to the occupier.

The second exception which, in the opinion of Your Committee, it would be proper to make from the operation of the general rules with respect to the sale of Land, the adoption of which they have recommended, is that of allowing large blocks of Land to be sold, under certain circumstances, without requiring them previously to have been put up to auction, or to have been included in the general survey of the territory. The argument in favour of a mode of selling Land, by which the principle of competition is made to operate, is mainly founded upon the natural inequality in the value of different portions of Land, principally in consequence of the greater or less advantages of situation which they enjoy. But when Land is sold in very large continuous blocks, this argument does not apply, since in a new colony it can scarcely happen that such blocks, when taken together, can derive any peculiar value from their situation. On the other hand, great advantage arises to the public from selling large continuous tracts of Land, provided the terms on which it is disposed of are not too low. All the expense of the arrangements required for the sale of Land in small lots is saved, a considerable sum of money applicable to the purposes to which the proceeds of the land sales are devoted is obtained at once instead of coming in by slow degrees, (a circumstance frequently of very great importance,) and lastly, as such large purchases can only be made by great capitalists or companies with a view to obtaining a profit by improving the Land so bought, and generally re-selling it at an advance of price, and in smaller portions, the effect of such transactions is to introduce a large amount of capital into the Colony, and also to call into play the most effective agency which can be employed in the settlement of the district thus alienated. Hence, in establishing as a general system, the regulations respecting the sale of Land which have been above described, Your Committee are of opinion that a discretionary power should be reserved, of selling by private contract continuous blocks of Land containing not less than 20,000 acres, either in the surveyed or unsurveyed portion of the Colony. The terms upon which such sales should be made, must be matter of bargain in each individual case between the parties desirous of making the purchase on the one side, and the Governor of the Colony or the Commissioners of Emigration on the other; but no such transaction ought, in the opinion of Your Committee, to be finally concluded without the express sanction of the Secretary of State, nor ought the purchasers in any case to pay less than the minimum price per acre at the time established in the Colony, together with the actual cost of measuring and setting out the boundaries of the Land thus sold to them.

Should the arrangements with reference to the sale of Land suggested by Your Committee be adopted, a question of very great importance will arise, as to the minimum price at which Land should be put up to sale. It is obvious that if more Land than there is an immediate demand for, is put up to sale, the price of the lots which possess no peculiar advantages of soil or situation will not be raised by competition; in fact the object of the system of auctions (as Your Committee have endeavoured to explain) is not to raise the price of Land of an ordinary and average value (which it would only do, if the quantity offered for sale were more restricted than the demand), but to determine the

the comparative value of the more desirable portions of Land, and to secure to the public the benefit of receiving for these a price proportioned to their superior value. Nor can the price of Land be determined by any natural or necessary value it possesses. In a Colony where the extent of available Land may, when compared with the population, be practically considered as unlimited, ordinary Land, if all were allowed to appropriate what they pleased, would have no value whatever, and it only acquires an artificial value from the policy adopted of not allowing it to be appropriated, except by those who purchase it on certain terms. As the value acquired by Land under such circumstances is artificial, so it may be made higher or lower at the discretion of the authority by which it is created. The same description of Land in New South Wales and Van Diemen's Land, which previously to the year 1831 was of very little value, became worth 5 *s.* an acre when this price was imposed upon it by the Government; and when the upset price was advanced to 12 *s.*, it was readily sold at this higher rate*. The determination of the minimum price at which Land is to be sold will, in like manner, determine the value which it will bear (or, in other words, the degree of facility for acquiring it which is to be allowed to exist) in South Australia. It appears to Your Committee that this facility has hitherto been too great; that is to say, that the price imposed upon Land has been too low. The evidence of Mr. G. Wakefield †, whose authority upon this question is entitled to the greatest weight, will be found to support this opinion, which is further confirmed by the fact stated by Colonel Gawler in his half-yearly Report, dated June 30, 1840, that Land has already been sold sufficient to maintain at least 100,000 inhabitants, while their actual number does not exceed 15,000. Your Committee conceive that the first principle of the system of colonization originally recommended by Mr. Wakefield (to realize which was the object of founding the Colony of South Australia) is that of maintaining a due proportion between the extent of Land which is appropriated and the population by which it is occupied, by imposing such a price upon Land as shall prevent a greater quantity from being bought than the number of the inhabitants is sufficient to make use of to advantage. Your Committee, persuaded of the soundness of this principle, consider the fact stated by Colonel Gawler to be conclusive as to the inadequacy of the price hitherto imposed upon Land in South Australia, since the appropriation of so much greater an extent of Land than is required to supply the wants of the present number of inhabitants is altogether inconsistent with the attainment of the object justly considered of paramount importance by Mr. Wakefield, that, namely, of rendering the industry of the colonists as productive as possible, by maintaining in a newly-settled colony the same system of combination of labour and division of employments which prevails in older societies.

Hence an increase in the price of land in South Australia seems to Your Committee to be necessary, in order to give effect to the principle upon which the Colony was established. The same measure further appears to them to be expedient with a view to remove the financial difficulties which have been the immediate cause of the inquiry with which they have been charged. It is obvious that the greater the extent of territory occupied in proportion to the population, the larger the expenses of the Colony are likely to be in proportion to its revenue; because the revenue, arising almost entirely from taxes upon consumption, depends mainly upon the number of the inhabitants, and, instead of being increased may more probably be diminished, if the same number of inhabitants occupy a greater

* *See* Evidence of Mr. Jaques before the Committee of the Legislative Council of New South Wales on Immigration, Parl. Paper, No. 241, Sess. 1841, p. 14.

† Q. 2696. 2702, 2703.

‡ *See* also Evidence of Mr. Elliot, Q. 1312.

district of country, since their industry will thus be rendered less productive, and their power of consumption consequently reduced; while the public expenses, on the contrary, must necessarily be very greatly augmented by the occupation of a larger territory, since amongst the heaviest of these expenses are those for the Police and for the formation of Roads, of which the charge rapidly rises with the distance from the seat of government to which protection for the settlers and the means of communication are required to be carried. Colonel Gawler's Report, already quoted, expressly mentions the extent of country occupied as one cause of the large amount of expenditure under the heads both of Roads and of Police. An increase in the price of Land, by causing the population to be less dispersed, would therefore tend to diminish the public expenditure as compared to the revenue; but Your Committee conceive that this measure might be rendered more directly available to the relief of the existing financial difficulties of the Colony, by applying a portion of the receipts from the sale of Land in aid of the revenue derived from taxation.

It is true, that by the Acts now in force the whole of the receipts from this source are required to be applied, without any deduction whatever, in the conveyance of emigrants to the Colony, and that the utmost importance has been attached to the strict observance of that rule. Your Committee are fully sensible how essential it is to the future prosperity of South Australia, that provision should be made from the proceeds of the sale of Land for the conveyance of emigrants to its shores. But looking to the necessity of making further provision for the public expenditure of the Colony, and to the difficulty of doing so from any other source, they think themselves justified in advising that a definite proportion of the increased price which they conceive ought to be imposed upon Land should be applied in aid of the revenue. If this should not be done an increase of taxation will be indispensable; but the circumstances of a new Colony, and the impossibility of collecting a high rate of duties upon importation, without an increase of the Custom-house establishment, which would defeat the object in view, are insurmountable obstacles to raising the additional revenue which is wanted by imposing heavier duties upon imports, while the imposition of direct taxes would be attended with very great difficulty. The resource, therefore, which would be afforded by increasing the price of Land, and applying a definite proportion of the funds arising from its sale to the current expenses of the Colony, appears to be the only one which would meet the exigency of the case; and it is satisfactory to Your Committee to find that even Mr. Wakefield, whose authority is mainly relied upon by those who advocate the exclusive application of the receipts from the sale of Land to immigration, has distinctly expressed his opinion, that there would be no objection to defraying even a very large part of the public expenditure from this source, provided that a fixed proportion of the funds arising from it were reserved for immigration, and that such a price were imposed upon Land that this fixed proportion of the receipts should suffice to defray the cost of carrying out an adequate number of emigrants, as compared to the extent of Land sold. In these views Your Committee entirely concur, and they therefore recommend that the price of Land in South Australia should be forthwith raised, and that a proportion not exceeding one-half of the receipts should form part of the general revenue, the remainder being reserved as a fund exclusively applicable to the purpose of immigration. The degree to which the price of Land

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Land ought ultimately to be raised, Your Committee conceive it to be scarcely possible to determine except by actual experience; but they are of opinion that it should be progressively increased until the object of establishing a due proportion between the supply and demand for labour, and between the population and the extent of territory occupied by it, shall have been accomplished.

The increase in the price of Land in South Australia, which they have now recommended, cannot, however, in the opinion of Your Committee, be expected fully to answer its intended object, unless the purchase of Land at the proposed higher rate is encouraged by giving every possible security for the maintenance of its value. It is obvious that if there should be any room to suppose that the minimum price, after having been raised, might possibly be again lowered, the apprehension of such a change would effectually prevent purchasers from coming forward; the effect therefore of an increase of the price of Colonial Land cannot be fairly tried unless the most perfect assurance is given that the measure will be steadily adhered to. With this view, it appears to Your Committee that it would be expedient by a legislative enactment to empower Her Majesty, by Order in Council, to determine from time to time the minimum price at which Land should be sold in South Australia, providing that the minimum price once so established should not again be lowered, except by the authority of Parliament, and that one half of the receipts from the Land Sales should be exclusively applicable to the conveyance of emigrants, of the labouring classes, from this country to the Colony. Such an enactment would give very great encouragement to the purchase of Land, both by effectually guarding against the competition of Land sold at a lower rate, and by the certain provision which would be made for the supply of labour; and it would thus, in the opinion of Your Committee, tend greatly to promote the interest as well of the Mother Country as of the Colony.

Your Committee cannot overlook the effect which the adoption of any important recommendation of this nature with respect to the mode of disposing of public Lands in South Australia must have on the interests of the rest of the Australian Colonies; and they feel it their duty to call the attention of The House to the necessary and intimate connection between those colonies, and to the great inconvenience which would result from allowing any material difference to exist, either in the system on which Land is disposed of, or in the rate at which it is sold in them respectively. Your Committee have, however, limited their recommendation to South Australia, because they feel that the terms of the reference made to them do not authorize them to advise the adoption of a general plan applicable, not only to South Australia, but to all the Australian Colonies.

Your Committee, in the Resolutions annexed to this Report, have stated the Charges to which the General Revenue of the Colony, including a portion of the proceeds of Land Sales, should be applicable, and the order in which such Charges should be placed. It remains to be considered whether the Revenue, with the proposed addition, and relieved from the expense of Surveys, will be equal to the Charges placed upon it. This, however, is a subject on which Your Committee feel themselves unable to express a decided opinion. That the Resources of the Colony will be ultimately fully equal to meet its Expenditure they see no reason to doubt; nor, if the stream of Immigration, which has recently been suspended, should be renewed, and the foregoing

Recommendations, as to the Sale of Lands, be adopted, do they see sufficient reason to abandon the hope that the ordinary Annual Expenditure of South Australia will be brought, if not immediately, yet at an early period, within its ordinary means. This, however, must necessarily depend, in a great measure, on the rate at which future Land Sales are likely to proceed, and which Your Committee cannot venture with any confidence to predict. But considering the number of persons who on the faith of an Act of Parliament have emigrated to the Colony and established themselves in it, the amount of British Capital which has been invested in it, and the prospect of its becoming a valuable appendage to the British Crown, Your Committee do not hesitate to recommend that such further aid as may be indispensably required, should be afforded by Parliament to maintain its existence as a British Colony.

Your Committee will conclude their Report with the following Resolutions, to which they have agreed:—

RESOLUTIONS.

1. THAT it is expedient, that the Act 4 & 5 Will. 4, c. 95, intituled, "An Act to empower His Majesty to erect South Australia into a British Province or Provinces, and to provide for the Colonization and Government thereof;" and the Act passed in the First and Second year of Her Majesty's reign, c. 60, intituled, "An Act to amend an Act of the Fourth and Fifth years of His late Majesty, empowering His Majesty to erect South Australia into a British Province or Provinces," be repealed.

2. That it is expedient that the limits of the existing Province of South Australia, as fixed by Letters Patent under the Great Seal of Great Britain, granted by His late Majesty, with the advice of His Privy Council, on or about the 19th of July 1836, should be continued, and that Her Majesty, Her Heirs and Successors should be authorized to empower any Three or more Persons, resident within the said Province, to make such Laws or Ordinances as may be necessary for the peace, order, and good government of Her Majesty's Subjects and others within the same.

3. That it is expedient, that Her Majesty should be authorized, by and with the advice of Her Privy Council, to direct that unofficial Members of the Legislative Council of the said Province should be appointed, not in the manner prescribed by the Act 1 & 2 Vict. c. 60, but by Election within the said Province; and that Her Majesty should be authorized, with the advice of Her Privy Council, to establish all such Regulations as may be necessary for determining the qualifications of the Electors and the Elected, and for dividing the said Province into Electoral Districts, with such other Regulations as may be necessary to carry into complete effect the introduction of an electoral system, or to delegate to the Legislative Council for the time being of the said Province the execution of the powers aforesaid, so far as it may appear to Her Majesty in Council impracticable or inconvenient to establish such Regulations by the direct exercise of the Royal authority in this Country.

4. That it is expedient that, before such electoral system shall be adopted, permanent provision should be made for certain fixed expenses on account of the Civil Government of the Colony.

5. That

5. That it is expedient, that in conformity with the engagement entered into with the original Settlers, no Person or Persons convicted in any Court of Justice in Great Britain or Ireland, or elsewhere, shall at any time or under any circumstances be transported as a Convict to any place within the said Province.

6. That any Sums which may be advanced on account of the said Province out of the Consolidated Fund, in pursuance of any Act or Acts of the present Session, together with Interest thereon, at a rate not exceeding £.4. per cent. per annum, and also certain Bonds or Obligatory Writings, termed "South Australia Colonial Revenue Securities," with the Interest thereon, and also the Annuities raised under the authority of the Act 1 & 2 Vict. c. 60, should constitute the Public Debt of the said Province.

7. That the balance now remaining unapplied of the Guarantee Fund, created in pursuance of the Act 4 & 5 Will. 4, c. 95, should be applied, under the directions of the Lords Commissioners of Her Majesty's Treasury, in payment of the Debts incurred or of the Services performed on account of the said Province.

8. That it is expedient, that no Lands within the said Province should at any time be disposed of by Her Majesty, her Heirs or Successors, gratuitously, or otherwise than by sale: Provided nevertheless, that there should be reserved to Her Majesty, her Heirs and Successors, the power to reserve and set apart, within the said Province, any Lands which it may appear to Her Majesty, or to the Governor for the time being of the said Province, expedient so to reserve or set apart, for Roads, Canals, Towing-paths, or other internal communications; or for Quays, Landing-places, or Wharfs; or as the sites of Fortifications, or for the better defence thereof, or as the sites of Places of Public Worship, Schools, or other Public Buildings, Cemeteries, or places to be devoted to the promotion of the Public Health or Amusement, or for any other such like purposes, in which Her Majesty's Subjects at large may be interested.

9. That it is expedient, that Her Majesty should be authorized to reserve, and set apart within the said Province, for the use of the Aboriginal Inhabitants thereof, any Lands which it may be found necessary so to reserve and set apart for the occupation and subsistence of such Aboriginal Inhabitants.

10. That it is expedient, that the Surveys of Land in the said Province should be always kept in advance of the demand for Land, and that the system of Special Surveys should be discontinued.

11. That it is expedient to adopt the system of selling Land in the said Province by Public Auction at a minimum upset Price, and that the Sales by Auction should take place periodically, and that in the interval between such Sales, Land which has been put up and not sold should be open for purchase by the first applicant at the minimum upset price; provided that no Land occupied by licence by any settler should be sold, unless at the periodical sales, without the consent of such occupier.

12. That notwithstanding the general rule of sales by auction, a discretionary power should be reserved, subject to the approbation of one of Her Majesty's Secretaries of State, of allowing companies or individuals to

purchase blocks of not less than 20,000 acres each, by private contract, at not less than the minimum price, and of providing, if necessary, for the special survey of such blocks.

13. That the minimum price of Land in one of the Australian Colonies must necessarily be governed to a great extent by the minimum price of Land in the other of those Colonies, but that in the opinion of this Committee the minimum price of Land in South Australia may safely be raised above the present amount of £.1 per acre, and that in fixing such minimum, it is desirable to keep in view the principle of maintaining such an amount as may tend to remedy the evils arising out of too great a facility of obtaining landed property, and a consequently disproportionate supply of labour, and exorbitant rate of wages.

14. That it is expedient, that Her Majesty should be empowered to determine from time to time by Order in Council the price below which Land shall not be sold in South Australia, and that the minimum price so determined, should in no case be lowered, except by the authority of the Legislature.

15. That it is expedient, that the expenses of Survey should be defrayed by an acreable charge, in addition to the purchase-money, on all Land sold; and that the Governor should be authorized to declare, by proclamation from time to time, at what rate such acreable charge should be made.

16. That with respect, however, to any Lands which may have been disposed of before the foregoing acreable charge shall have been established, and the survey of which is unprovided for, the expenses of survey should be defrayed out of the future proceeds of the Sales of Land in the Colony.

17. That it is expedient, that, subject to the charge for the expenses of the last-mentioned Surveys, a proportion of not less than one-half of the Monies arising from the sale of Public Lands in the said Province, other than the Lands to be reserved and set apart as aforesaid, should be applied in and towards the expense of conveying Emigrants to the said Province from the United Kingdom; and that the remainder of such Monies should form part of the General Revenue of the Colony, and that such Revenue should be applicable to the following charges in the order in which they stand: First, Interest and Sinking Fund of the Debt. Secondly, For the benefit of the Aborigines, a sum equal to such a per centage upon the receipts from the sale of Land, as Her Majesty by Order in Council may from time to time think fit to direct. Thirdly, Fixed expenses of Civil Government. Fourthly, General Colonial Services, according to the discretion of the Governor and Council. Provided that the proportion of the proceeds of the sales of Land set apart as above for Emigration, be liable to be applied towards the payment of the interest and sinking fund of the Public Debt of the Colony in the event of the General Revenue being insufficient to provide for the same as a first charge.

18. That it is expedient, that the unsold Lands of the Province should be occupied by licence from the Governor of South Australia, by any Persons paying an annual rent for the pasturage thereof, and that the Money arising from so letting such Lands on pasturage, should be appropriated in the same manner as the Money arising from the Sale of Land within the said Province.

19. That

19. That many persons have purchased Land in South Australia on the faith of a guarantee given by the Act of the 4 & 5 Will. 4, c. 95, that the Purchase-money so paid should be expended in giving a value to such Land, by the importation of Labour; that under the provisions of the Act 1 & 2 Vict. c. 60, the South Australian Commissioners were authorized to borrow from the Emigration Fund in aid of the Revenue Fund; that a Sum of £.56,746. 14 *s.* 8 *d.* was in consequence advanced from the Emigration Fund, and has not yet been repaid; that it is expedient that provision should be made by Parliament for the advance to the Emigration Fund of this Sum of £.56,000; and that the said Sum, when so advanced, should be applied to the purpose of conveying Emigrants to South Australia.

20. That it is expedient, that the Crown be authorized to call for repayment of any advances under authority of any Act or Acts of the present Session on account of the Province of South Australia, on the principle adopted for the recovery of advances made for Public Works, not exceeding the rate of five per centum per annum.

10 *June* 1841.

PROCEEDINGS OF THE COMMITTEE.

Lunæ, 15° *die Februarii*, 1841.

Present:

Mr. Vernon Smith.	Sir George Grey.
Lord Eliot.	Lord Stanley.
Lord Fitzalan.	Mr. George Hope.
Capt. A'Court.	Mr. Raikes Currie.
Mr. J. Parker.	Lord Mahon.
Mr. W. E. Gladstone.	

Sir George Grey called to the Chair.

Mr. *Vernon Smith* stated the objects for which the Committee is appointed.

Mr. *Gordon Gairdner*, from the Colonial-office, examined.

Committee agreed to meet on Tuesday, Thursday and Friday, at Twelve.

[Adjourned to Tuesday, 23d, at Twelve.

Jovis, 25° *die Februarii*, 1841.

Present

Sir George Grey in the Chair.

Mr. Vernon Smith.	Lord Mahon.
Mr. George Hope.	Mr. Sotheron.
Mr. J. Parker.	Lord Eliot.
Mr. Raikes Currie.	Capt. A'Court.
Lord Fitzalan.	Mr. G. W. Wood.
Lord Stanley.	Lord Howick.
Mr. W. E. Gladstone.	Mr. Ward.

Mr. *Gairdner* re-examined.

Colonel *Robert Torrens* examined.

[Adjourned to Tuesday, at Twelve.

Martis, 2° *die Martii*, 1841.

Present:

Sir George Grey in the Chair.

Mr. Vernon Smith.	Lord Howick.
Lord Eliot.	Mr. Raikes Currie.
Lord Fitzalan.	Mr. G. W. Wood.
Lord Stanley.	Mr. George Hope.
Capt. A'Court.	Mr. J. Parker.
Lord Mahon.	Mr. W. E. Gladstone.
Mr. Sotheron.	

Colonel *Torrens* examined.

[Adjourned till Thursday, at Twelve.

Jovis, 4° die Martii, 1841.

Present:

SIR GEORGE GREY IN THE CHAIR.

Mr. Vernon Smith.	Lord Howick.
Lord Mahon.	Lord Eliot.
Mr. W. E. Gladstone.	Mr. George Hope.
Captain A'Court.	Mr. G. W. Wood.
Lord Fitzalan.	Lord Stanley.
Mr. J. Parker.	

Mr. *Chancellor of the Exchequer* examined.

Mr. *Geo. Fife Angas,* Chairman of the Australian Company, examined.

[Adjourned till To-morrow, at Twelve.

Veneris, 5° die Martii, 1841.

Present:

SIR GEORGE GREY IN THE CHAIR.

Lord Howick.	Lord Eliot.
Captain A'Court.	Mr. George Hope.
Lord Fitzalan.	Mr. Vernon Smith.
Mr. G. W. Wood.	Mr. Raikes Currie.
Lord Mahon.	Mr. J. Parker.
Lord Stanley.	Mr. W. E. Gladstone.

Colonel *Torrens* examined, in correction of his evidence.

Mr. *Angas* examined.

Mr. *T. F. Elliot* examined.

Mr. *E. J. Wheeler* examined.

[Adjourned to Tuesday next, at Twelve o'clock.

Martis, 9° die Martii, 1841.

Present:

SIR GEORGE GREY IN THE CHAIR.

Lord Howick.	Lord Eliot.
Mr. Vernon Smith.	Mr. Raikes Currie.
Mr. George Hope.	Mr. J. Parker.
Lord Stanley.	Mr. G. W. Wood.
Sir W. Molesworth.	Mr. Sotheron.
Lord Mahon.	Mr. W. E. Gladstone.
Lord Fitzalan.	Captain A'Court.

Resolutions drawn up by Lord *Stanley* were laid on the table and read.

Resolutions 1 to 8, read, amended and agreed to.

Resolution 8 read, and proposed by Lord *Stanley:*

"THAT if it be in the contemplation of Her Majesty's Government to propose to Parliament any measures for the relief of their embarrassments, any uncertainty or delay respecting such measures cannot but tend seriously to aggravate the existing difficulties; but in the opinion of this Committee, the responsibility of an application to Parliament to sanction any aid from the public funds to meet the financial difficulties of the colony, rests properly with the Executive; and that this Committee, while it will direct its anxious and unremitting attention to the consideration of the Acts relating to South Australia, and to the actual state of the colony, cannot undertake to offer any opinion whether, or in what manner, such aid shall be afforded."

Amendment proposed (Mr. *Vernon Smith*), from the first word "That," to leave out the words to the first "to" in order to insert these words:

"THAT the bulk of the protested bills appear to have been hitherto retained by the holders in this country, in the expectation of the adoption by Parliament of some measures for providing for their payment; but that there is reason to apprehend that

protracted uncertainty and delay respecting such measures will tend seriously to aggravate the existing difficulties."

Question put, "That the words proposed to be left out stand part of the Resolution."

Ayes.	Noes.
Captain A'Court.	Lord Eliot.
Lord Howick.	Lord Fitzalan.
Lord Mahon.	Mr. Raikes Currie.
Mr. George Hope.	Mr. Vernon Smith.
Lord Stanley.	Mr. G. W. Wood.
Mr. W. E. Gladstone.	Sir W. Molesworth.
Mr. Sotheron.	Mr. J. Parker.
Ayes 7.	Noes 7.

The Chairman gave his casting vote with the Noes.

So it passed in the negative.

Resolution proposed (Mr. *Vernon Smith*):

"That the bulk of the protested bills appear to have been hitherto retained by the holders in this country, in the expectation of the adoption by Parliament of some measures for providing for their payment; but that there is reason to apprehend that protracted uncertainty and delay respecting such measures will tend seriously to aggravate the existing difficulties."

Question put, and agreed to.

Resolution 9, proposed by Mr. *Vernon Smith*:

"That this Committee has been informed that Her Majesty's Government contemplate the necessity of proposing to Parliament measures for the relief of the present financial embarrassments of the colony."

Question put, and agreed to.

Resolution 10, proposed by Mr. *Vernon Smith*:

"That while this Committee conceives that the responsibility of any such application to Parliament rests properly with the Executive, it cannot withhold its opinion that provision ought to be made to meet the actual engagements incurred under the authority of the Resident Commissioner, and the Commissioners appointed under the Act 4 Will. 4, c. 95; and that such provision should not be delayed until after this Committee shall have completed the inquiry in which it is engaged into the South Australian Acts and the general state and prospects of the colony."

Amendment proposed (Lord *Stanley*), to leave out from the first word "That," to the first "of," for the purpose of inserting these words:

"This Committee will direct its anxious and unremitting attention to the consideration of the Acts relating to South Australia, and to the actual state of the colony, but that in the opinion of this Committee the responsibility of an application to Parliament to sanction any aid from the public funds to meet the financial difficulties of the colony, rests properly with the Executive."

Question put, "That the words proposed to be left out stand part of the Resolution."

The Committee divided.

Ayes.	Noes.
Lord Eliot.	Captain A'Court.
Lord Fitzalan.	Lord Howick.
Mr. Raikes Currie.	Lord Mahon.
Mr. Vernon Smith.	Mr. George Hope.
Mr. G. W. Wood.	Lord Stanley.
Sir W. Molesworth.	Mr. W. E. Gladstone.
Mr. J. Parker.	Mr. Sotheron.

The Chairman gave his vote with the Ayes.

Amendment further proposed (Sir *W. Molesworth*), after "Act 4 Will. 4, c. 95," to insert these words, "And to repay the sum due to the Emigration Fund."

Question put, "That these words be there inserted."

On a division being called for, it appeared that the Ayes were as follow:

Ayes.	Noes.
Lord Eliot.	
Lord Fitzalan.	
Captain A'Court.	
Mr. Raikes Currie.	
Mr. G. W. Wood.	
Sir W. Molesworth.	
Mr. Sotheron.	

The following Members declined voting:

Lord Howick.
Mr. Vernon Smith.
Lord Mahon.
Mr. George Hope.
Lord Stanley.
Mr. J. Parker.
Mr. W. E. Gladstone.

So it was resolved in the affirmative.

Words inserted accordingly.

Resolution, as amended, put and agreed to.

Ordered, That the Resolutions, as amended, be reported to The House.

[Adjourned till Thursday.

Jovis, 11° *die Martii*, 1841

Present:

Sir George Grey in the Chair.

Lord Mahon.	Lord Howick.
Mr. George Hope.	Mr. Raikes Currie.
Mr. G. W. Wood.	Captain A'Court.
Lord Surrey.	Lord Eliot.
Sir W. Molesworth.	Lord Stanley.
Mr. W. E. Gladstone.	Mr. Vernon Smith.

Mr. *Wm. Wolryche Whitmore* examined.

Mr. *Angas* re-examined.

Mr. *Elliot* re-examined.

[Adjourned till To-morrow.

Veneris, 12° *die Martii*, 1841.

Present:

Sir George Grey in the Chair.

Lord Howick.	Lord Stanley.
Mr. Raikes Currie.	Lord Mahon.
Captain A'Court.	Sir Wm. Molesworth.
Lord Eliot.	Mr. W. E. Gladstone.
Lord Fitzalan.	Mr. G. W. Wood.
Mr. Vernon Smith.	Mr. George Hope.

Mr. *Mills*,
Mr. *Hutt*, M.P.
Mr. *Trimmer*,
Mr. *Palmer*,
severally examined.

[Adjourned.

Martis, 16° *die Martii*, 1841.

SIR GEORGE GREY IN THE CHAIR.

Mr. Vernon Smith.	Lord Stanley.
Mr. George Hope.	Mr. G. W. Wood.
Sir W. Molesworth.	Lord Howick.
Captain A'Court.	Lord Fitzalan.
Lord Eliot.	Mr. W. E. Gladstone.
Mr. J. Parker.	

Mr. *Elliot* further examined.

Mr. *M'Shane* examined.

[Adjourned.

Jovis, 18° *die Martii*, 1841.

SIR GEORGE GREY IN THE CHAIR.

Mr. Vernon Smith.	Lord Howick.
Lord Stanley.	Captain A'Court.
Lord Mahon.	Lord Fitzalan.
Mr. G. W. Wood.	Lord Eliot.
Mr. George Hope.	Mr. Sotheron.
Mr. J. Parker.	Mr. W. E. Gladstone.

Mr. *Angas* further examined.

Colonel *Torrens* examined.

Mr. *Villiers* examined.

Mr. *Rundle*, M. P. examined.

[Adjourned.

Veneris, 19° *die Martii*, 1841.

SIR GEORGE GREY IN THE CHAIR.

Lord Mahon.	Captain A'Court.
Mr. G. W. Wood.	Lord Fitzalan.
Mr. George Hope.	Lord Eliot.
Sir W. Molesworth.	Lord Howick.
Mr. Vernon Smith.	Mr. W. E. Gladstone.

Mr. *Brownrigg*, M. P. examined.

Mr. *Mann* examined.

[Adjourned.

Jovis, 25° *die Martii*, 1840.

SIR GEORGE GREY IN THE CHAIR.

Lord Fitzalan.	Mr. Vernon Smith.
Captain A'Court.	Lord Stanley.
Lord Mahon.	Mr. J. Parker.
Mr. G. W. Wood.	Mr. W. E. Gladstone.

Mr. *Rowland Hill* examined.

Mr. *Angas* further examined.

[Adjourned.

Veneris, 26° *die Martii*, 1841.

SIR GEORGE GREY IN THE CHAIR.

Mr. Vernon Smith.	Mr. J. Parker.
Lord Stanley.	Lord Fitzalan.
Mr. George Hope.	Captain A'Court.
Mr. G. W. Wood.	Lord Howick.
Sir W. Molesworth.	Lord Mahon.
Mr. W. E. Gladstone.	

Mr. *Thomas Driver* examined.

Mr. *Edward G. Wakefield* examined.

Captain *Alfred Fell* examined.

Mr. *Wheeler* examined.

[Adjourned.

Martis, 27° *die Martii*, 1841.

SIR GEORGE GREY IN THE CHAIR.

Mr. Vernon Smith.	Lord Howick.
Sir W. Molesworth.	Mr. Sotheron.
Captain A'Court.	Lord Stanley.
Mr. W. E. Gladstone.	Mr. G. W. Wood.
Mr. J. Parker.	Lord Mahon.

Mr. *Jackson* and Colonel *Torrens* examined.

Mr. *Wakefield* further examined.

Mr. *Elliot* further examined.

Colonel *Torrens* re-examined.

[Adjourned.

Martis, 27° *die Aprilis*, 1841.

SIR GEORGE GREY IN THE CHAIR.

Captain A'Court.	Sir W. Molesworth.
Lord Viscount Mahon.	Lord Howick.
Lord Fitzalan.	Mr. Vernon Smith.
Lord Stanley.	Mr. George Hope.
Mr. G. W. Wood.	Mr. J. Parker.
Mr. Raikes Currie.	Mr. W. E. Gladstone.
Lord Eliot.	Mr. Sotheron.

Mr. *Rowland Hill* further examined, in correction of his evidence.

The Committee deliberated.

Motion made, and question proposed, "That it is expedient that (with the exceptions subsequently mentioned) the Act 4 & 5 Will. 4, c. 95, intituled, "An Act to empower His Majesty to erect South Australia into a British Province or Provinces, and to provide for the Colonization and Government thereof;' and the Act passed in the First and Second year of Her Majesty's reign, c. 60, intituled, 'An Act to amend an Act of the Fourth and Fifth Years of His late Majesty, empowering His Majesty to erect South Australia into a British Province or Provinces,' be repealed." (Mr. *Vernon Smith.*)

Question put, and agreed to.

Motion made, and question proposed, "That it is expedient, that from the operation of such repeal should be excepted so much of the Act 1 & 2 Vict. c. 60, as authorized His said late Majesty, his Heirs and Successors, in manner therein mentioned, to empower any person in South Australia to make such laws or ordinances as might be necessary for the peace, order, and good government of His Majesty's Subjects and others within the said province or provinces, and as relates to all laws or ordinances so to be made as aforesaid." (Mr. *Vernon Smith.*)

Question put, and postponed.

Motion made, and question proposed, "That it is expedient that from the operation of such repeal should be excepted so much of the Act 4 & 5 Will. 4, c. 22, as enacted that no person or persons convicted in any court of justice in Great Britain or Ireland, or elsewhere, shall at any time or under any circumstances be transported as a convict to any place within the limits hereinbefore described." (Mr. *Vernon Smith.*)

Question put, and agreed to.

Motion made, and question proposed, "That it is expedient, that from the operation of such repeal be further excepted so much of the Act 4 & 5 Will. 4, c. 95, as constitutes certain bonds or obligatory writings termed 'South Australia Public Lands and Securities,' a charge upon the whole of the fund to be received as the purchase-money of public lands, or as the rent of the common of pasturage of unsold portions thereof, together with so much of the said Act as constitutes certain other obligatory writings termed "South Australia Colonial Revenue Securities," a charge upon the ordinary revenue or produce of all rates, duties, and taxes to be levied and collected, as in the said Act is directed, within the said province or provinces; together with so much of the said Act as in certain cases therein mentioned constitutes the public lands of the said province or provinces then remaining unsold, and the monies to be obtained by the sale thereof, a collateral security for payment of the principal and interest of the said colonial debt; together with so much of the said Act of the First and Second year of Her Majesty's reign as provides that certain annuities therein mentioned shall be charged and chargeable upon and payable out of such funds respectively, as the interest of the monies authorized to be raised by the said first-recited Act are charged or made payable out of; provided that the several charges and liabilities in the last Resolution mentioned should be maintained in respect of such bonds, writings obligatory or other debts only as shall have been lawfully made and entered into or contracted in pursuance of the said recited Acts before the repeal thereof." (Mr. *Vernon Smith.*)

Question put, and agreed to.

Motion made, and question proposed, "That any sums which may be advanced on account of the said province, out of the Consolidated Fund, in pursuance of an Act of the present Session, shall, together with interest thereon, at the rate of £. per annum, be charged upon and payable out of all or any of the several before-mentioned funds or securities." (Mr. *Vernon Smith.*)

Question put, and agreed to.

Motion made, and question proposed, "That the balance now remaining unapplied of the Guarantee Fund, created in pursuance of the Act 4 & 5 Will. 4, c. 95, should be applied, under the directions of the Lords Commissioners of Her Majesty's Treasury, in payment of the debts incurred or of the services performed on account of the said province." (Mr. *Vernon Smith*).

Question put and agreed to.

Motion made, and question proposed, "That it is expedient that no lands within the province of South Australia should at any time be disposed of by Her Majesty, Her Heirs or Successors, gratuitously, or otherwise than by public sale: Provided nevertheless, that there should be reserved to Her Majesty, Her Heirs and Successors, the power to reserve and set apart, within the said province, any lands which it may appear to Her Majesty, or to the governor for the time being of the said province, expedient so to reserve or set apart, for roads, canals, towing-paths, or other internal communications, or for quays, landing-places, or wharfs, or as the sites of fortifications, or for the better defence thereof, or as the sites of places of public worship, schools, or other public buildings, cemeteries, or places to be devoted to the promotion of the public health or amusement, or for any other such like purposes, in which Her Majesty's subjects at large may be interested." Mr. *Vernon Smith.*)

Question put and agreed to.

Motion made, and question proposed, "That it is expedient that Her Majesty should be authorized to reserve, and set apart within the said province, for the use of the aboriginal inhabitants thereof, any lands which it may be found necessary so to reserve and set apart for the occupation and subsistence of such aboriginal inhabitants." (Mr. *Vernon Smith.*)

Question put and agreed to.

Motion made, and question proposed, "That it is expedient that the surveys of land in the said province should be always kept in advance of the demand for land." (Lord Viscount *Howick*).

Question put and agreed to.

Motion made, and question proposed, "That it is expedient to adopt the system of selling land in the said province by public auction at a minimum upset price, and that the sales by auction should take place periodically; and that in the interval between such sales, land which has been put up and not sold should be open for purchase by the first applicant at the minimum upset price; provided that no land occupied by license by any settler should be sold, unless at the periodical sales, without the consent of such occupier." (Lord Viscount *Howick*).

Question put and agreed to.

Motion made, and question proposed, "That notwithstanding the general rule of sales by auction, a discretionary power should be reserved of allowing companies or individuals to purchase blocks of not less than 20,000 acres each at the minimum price." (Lord Viscount *Howick*).

Question put and agreed to.

Motion

Motion made, and question proposed, "That one minimum price for land in all the Australian colonies and in New Zealand ought to be established; that this price ought not now to be lower than 2 *l.* per acre, and that it ought to be progressively increased until it is found that the great scarcity of labour now complained of in these colonies no longer exists." (Lord Viscount *Howick.*)

Amendment proposed to leave out all the words from the first "word," that in order to insert the words, "The minimum price of land in one of the Australian colonies must necessarily be governed to a great extent by the minimum price of land in the other of those colonies; but that in the opinion of this Committee the minimum price of land in South Australia may safely be raised [above the present amount of 1 *l.* per acre, and that in fixing such minimum, it is desirable to keep in view the principle of maintaining such an amount as may tend to remedy the evils arising out of too great a facility of obtaining landed property, and a consequently disproportionate supply of labour, and exorbitant rate of wages"]. (Lord *Stanley*).

Question put, "That the words proposed to be left out, stand part of the question."

The Committee divided.

Ayes, 6.	Noes, 7.
Sir W. Molesworth.	Mr. Vernon Smith.
Mr. Raikes Currie.	Lord Stanley.
Mr. Sotheron.	Lord Mahon.
Lord Eliot.	Mr. Geoge Hope.
Captain A'Court.	Mr. G. W. Wood.
Lord Howick.	Mr. J. Parker.
	Lord Fitzalan.

Words added; question as amended put. Amendment proposed, to leave out all the words from the word "raised," in l. 4, to the end of the paragraph, in order to insert the words, "to at least 2 *l.* per acre, and that it ought to be progressively increased until it is found that the great scarcity of labour now complained of in these colonies no longer exists." (Sir *William Molesworth.*)

Question put, "That the words proposed to be left out, stand part of the question."

The Committee divided,

Ayes, 8.	Noes, 5.
Mr. Vernon Smith.	Sir W. Molesworth.
Lord Stanley.	Mr. Raikes Currie.
Lord Mahon.	Lord Eliot.
Mr. George Hope.	Capt. A'Court.
Mr. G. W. Wood.	Lord Howick.
Mr. J. Parker.	
Mr. Sotheron.	
Lord Fitzalan.	

Question, "That the minimum price of land in one of the Australian colonies must necessarily be governed to a great extent by the minimum price of land in the other of those colonies; but that in the opinion of this Committee the minimum price of land in South Australia may safely be raised above the present amount of 1 *l.* per acre; and that in fixing such minimum, it is desirable to keep in view the principle of maintaining such an amount as may tend to remedy the evils arising out of too great a facility of obtaining landed property, and a consequently disproportionate supply of labour, and exorbitant rate of wages."

Again put and agreed to.

Motion made, and question proposed, "That it is expedient that Her Majesty should be empowered to determine from time to time, by Order in Council, the price below which land shall not be sold in South Australia, and that the minimum price so determined shall in no one case be lowered, except by the authority of the Legislature." (Lord Viscount *Howick.*)

Question put and agreed to.

Motion made, "That it is expedient that the monies arising from the sales of public lands within the said province, other than the lands mentioned in the two last preceding Resolutions, should be applied, first, in defraying the expenses of and incident to the survey and admeasurement, sale, and conveyance of them. Secondly, in and towards defraying the expenses of affording to the aboriginal inhabitants of the said province all such protection and education, and training in the arts of civilized life and in Christian knowledge, as it may be found practicable to extend to them, and in providing for the necessary support of such of them as may be incapable of earning their own subsistence. Thirdly, in and towards paying the principal and interest of the advances to be made out of the Consolidated Fund and of the before-mentioned colonial debt, so far as the same may be liable under the before recited Acts to that last-mentioned charge, Fourthly, that, subject to the preceding charges, it is expedient that the proceeds of such sales should be applied in and towards defraying the expense of removing to the said province, from the United Kingdom, of emigrants qualified to earn their subsistence by manual labour in pasturage or agriculture, or as artizans." (Mr. *Vernon Smith.*)

Question put and postponed.

Motion made, and question put, "That it is expedient that the unsold lands of the povince should be occupied by license from the Governor of South Australia, by any persons willing to pay an annual rent of the pasturage thereof, and that the money arising from so letting such lands on pasturage, should be appropriated in the same manner as the money arising from the sale of land within the said province." (Mr. *Vernon Smith.*)

Question put and postponed.

[Adjourned to Thursday next, at Twelve o'clock.

Jovis, 29° die Aprilis, 1841.

SIR GEORGE GREY IN THE CHAIR.

Mr. Vernon Smith.	Lord Howick.
Lord Stanley.	Captain A'Court.
Lord Mahon.	Lord Fitzalan.
Mr. George Hope.	Mr. Raikes Currie.
Mr. G. W. Wood.	Mr. J. Parker.
Sir W. Molesworth.	Lord Eliot.
Mr. Sotheron.	Mr. W. E. Gladstone.

Motion made, and question proposed, "That it is expedient that the monies arising from the sales of public lands within the said province, other than the lands mentioned in the two last preceding Resolutions, should be applied, first, in defraying the expenses of and incident to the survey and admeasurement, sale, and conveyance of them. Secondly, in and towards defraying the expenses of affording to the aboriginal inhabitants of the said province all such protection and education, and training in the arts of civilized life and in Christian knowledge, as it may be found practicable to extend to them, and in providing for the necessary support of such of them as may be incapable of earning their own subsistence. Thirdly, in and towards paying the principal and interest of the advances to be made out of the Consolidated Fund and of the before-mentioned colonial debt, so far as the same may be liable, under the before recited Acts, to that last-mentioned charge. Fourthly, that, subject to the preceding charges, it is expedient that the proceeds of such sales should be applied in and towards defraying the expense of removing to the said province, from the United Kingdom, of emigrants qualified to earn their subsistence by manual labour in pasturage or agriculture, or as artizans." (Mr. *Vernon Smith.*)

Amendment proposed, to leave out all the words from the first word "that" to the end of the paragraph, in order to insert the words, "That it is expedient that a proportion of not less than one-half of the monies arising from the sale of public lands in the province, other than the lands to be reserved and set apart as aforesaid, should be applied in and towards the expense of conveying emigrants to the said province from the United Kingdom." (Lord *Eliot.*)

Question put, "That the words proposed to be left out stand part of the question."

Question put and negatived.

Question as amended put; amendment proposed at the end of the paragraph to insert the words, "That the remainder should be applied, first, in aid of the general revenue of the colony, in and towards paying the interest of the advances to be made out of the Consolidated Fund, and of the before-mentioned colonial debt, and in and towards providing a sinking fund for the liquidation of the said advances and debt." (Sir *W. Molesworth.*)

Question put, "That these words be there added."

The Committee divided.

Ayes, 2.	Noes, 12.
Sir William Molesworth.	Mr. Vernon Smith.
Mr. Raikes Currie.	Lord Stanley.
	Lord Mahon.
	Mr. George Hope.
	Mr. G. W. Wood.
	Mr. J. Parker.
	Lord Eliot.
	Lord Fitzalan.
	Captain A'Court.
	Lord Howick.
	Mr. Sotheron.
	Mr. W. E. Gladstone.

So it passed in the negative.

Question again put; amendment proposed, at the end of the paragraph to add the words, "And that the remainder of such monies should form part of the general revenue of the colony, and that such revenue should be applicable to the following charges in the order in

in which they stand. First, interest and sinking fund of the debt. Secondly, for the benefit of the aborigines, a sum equal to such a per centage upon the receipts from the sale of land, as Her Majesty by Order in Council may from time to time think fit to direct. Thirdly, fixed expenses of civil government. Fourthly, general colonial services, according to the discretion of the Governor and Council; provided, that the proportion of the proceeds of the sales of land set apart as above for emigration, be liable to be applied towards the payment of the interest and sinking fund of the public debt of the colony, in the event of the general revenue being insufficient to provide for the same as a first charge." (Lord Viscount *Howick.*)

Question, "That these words be there inserted," put and agreed to.

Motion made, and question proposed, "That the sum set apart for the benefit of the aborigines, be charged before the sum for the interest and sinking fund of the debt." (Mr. *Vernon Smith.*)

Question put. The Committee divided.

Ayes, 7.	Noes, 7.
Mr. Vernon Smith.	Lord Stanley.
Lord Mahon.	Mr. George Hope.
Mr. G. W. Wood.	Sir W. Molesworth.
Mr. J. Parker.	Mr. Raikes Currie.
Lord Eliot.	Mr. W. E. Gladstone.
Mr. Sotheron.	Captain A'Court.
Lord Fitzalan.	Lord Howick.

The Chairman gave his vote in the negative, so it passed in the negative.

Main question again put and agreed to.

Motion made and question proposed, "That it is expedient, that the unsold lands of the province should be occupied by license from the Governor of South Australia, by any persons paying an annual rent of the pasturage thereof; and that the money arising from so letting such lands on pasturage, should be appropriated in the same manner as the money arising from the sale of land within the said province." (Mr. *Vernon Smith.*)

Question put and agreed to.

Motion made, and question proposed, "That many persons have purchased land in South Australia on the faith of a guarantee given by the Act of the 4 & 5 Will. 4, c. 95, that the purchase-money so paid should be expended in giving a value to such land, by the importation of labour; that under the provisions of the Act 1 & 2 Vict. c. 60, the South Australian Commissioners were authorized to borrow from the Emigration Fund in aid of the Revenue Fund; that a sum of 56,000 *l.* was in consequence advanced from the Emigration Fund, and has not yet been repaid; that it is expedient that provision should be made by Parliament for the advance to the Emigration Fund of this sum of 56,000 *l.*; and that the said sum, when so advanced, should be applied to the purpose of conveying emigrants to South Australia." (Sir *Wm. Molesworth.*)

Question put and agreed to.

Motion made and question proposed, "That it is expedient that the Crown be authorized to call for repayment of any sums to be advanced under authority by any act or acts of the present Session, on account of the province of South Australia, on the principle adopted for the recovery of advances made for public works, not exceeding the rate of five per centum per annum." (Mr. *J. Parker.*)

Question put and agreed to.

Motion made, and question proposed, "That it is expedient that from the operation of such repeal should be excepted so much of the Act 1 & 2 Vict. c. 60, as authorized his said late Majesty, his Heirs and Successors, in manner therein mentioned, to empower any three or more person or persons in South Australia to make such laws or ordinances as might be necessary for the peace, order, and good government of his Majesty's subjects and others within the said province or provinces, and as relates to all laws or ordinances so to be made as aforesaid." (Mr. *Vernon Smith.*)

Question put and agreed to.

[Adjourned to Tuesday next, at Twelve o'clock.

Martis, 4° die Maii, 1841.

SIR GEORGE GREY IN THE CHAIR.

Captain A'Court.
Lord Mahon.
Mr. Raikes Currie.
Lord Fitzalan.
Mr. G. W. Wood.
Lord Viscount Howick.
Lord Eliot.
Mr. Vernon Smith.
Mr. George Hope.
Mr. J. Parker.
Mr. Sotheron.

Mr. *Elliot* further examined.

The Committee further considered their Resolutions, and finally agreed to them, as follows:—

1. *Resolved*, That it is the opinion of this Committee, that it is expedient, that the Act 4 & 5 Will. 4, c. 95, intituled, "An Act to empower His Majesty to erect South Australia into a British Province or Provinces, and to provide for the Colonization and Government thereof;" and the Act passed in the First and Second year of Her Majesty's reign, c. 60, intituled, "An Act to amend an Act of the Fourth and Fifth years of his late Majesty, empowering His Majesty to erect South Australia into a British Province or Provinces," be repealed.

2. *Resolved*, That it is the opinion of this Committee, that it is expedient that the limits of the existing Province of South Australia, as fixed by letters patent under the Great Seal of Great Britain, granted by his late Majesty, with the advice of his Privy Council, on or about the 19th of July 1836, should be continued, and that Her Majesty, Her Heirs and Successors, shall be authorized to empower any three or more persons, resident within the said province, to make such laws or ordinances as may be necessary for the peace, order, and good government of Her Majesty's subjects, and others within the same.

3. *Resolved*, That it is the opinion of this Committee, that it is expedient that Her Majesty should be authorized, by and with the advice of Her Privy Council, to direct that unofficial Members of the Legislative Council of the province should be appointed, not in the manner prescribed by the Act 1 & 2 Vict. c. 60, but by election within the said province; and that Her Majesty should be authorized, with the advice of Her Privy Council, to establish all such regulations as may be necessary for determining the qualifications of the electors and the elected, and for dividing the said province into Electoral Districts, with such other regulations as may be necessary to carry into complete effect the introduction of an electoral system, or to delegate to the Legislative Council for the time being of the said province the execution of the powers aforesaid, so far as it may appear to Her Majesty in Council impracticable or inconvenient to establish such regulations by the direct exercise of the Royal authority in this country.

4. *Resolved*, That it is the opinion of this Committee, that it is expedient that, before such electoral system shall be adopted, permanent provision should be made for certain fixed expenses on account of the Civil Government of the Colony.

5. *Resolved*, That it is the opinion of this Committee, that it is expedient that, in conformity with the engagement entered into with the original settlers, no person or persons convicted in any court of justice in Great Britain or Ireland, or elsewhere, shall at any time or under any circumstances be transported as a convict to any place within the said province.

6. *Resolved*, That it is the opinion of this Committee, that any sums which may be advanced on account of the said province out of the Consolidated Fund, in pursuance of any Act or Acts of the present Session, together with interest thereon, at a rate not exceeding 4 *l.* per cent. per annum, and certain bonds or obligatory writings, termed "South Australia Colonial Revenue Securities," with interest thereon, and also the annuities raised under the authority of the Act 1 & 2 Vict. c. 60, should constitute the public debt of the said province.

7. *Resolved*, That it is the opinion of this Committee, that the balance now remaining unapplied of the Guarantee Fund, created in pursuance of the Act 4 & 5 Will. 4, c. 95, should be applied, under the directions of the Lords Commissioners of Her Majesty's Treasury, in payment of the debts incurred or of the services performed on account of the said province.

8. *Resolved*, That it is the opinion of this Committee, that it is expedient that no lands within the province of South Australia should at any time be disposed of by Her Majesty, Her Heirs or Successors, gratuitously, or otherwise than by sale: Provided nevertheless, that there should be reserved to Her Majesty, Her Heirs and Successors, the power to reserve and set apart, within the said province, any lands which it may appear to Her Majesty, or to the Governor for the time being of the said province, expedient so to reserve or set apart, for roads, canals, towing-paths, or other internal communications; or for

for quays, landing-places, or wharfs; or as the sites of fortifications, or for the better defence thereof; or as the sites of places of public worship, schools, or other public buildings, cemeteries, or places to be devoted to the promotion of the public health or amusement; or for any other such like purposes, in which Her Majesty's subjects at large may be interested.

9. *Resolved*, That it is the opinion of this Committee, that it is expedient that Her Majesty should be authorized to reserve and set apart within the said Province, for the use of the aboriginal inhabitants thereof, any lands which it may be found necessary so to reserve and set apart for the occupation and subsistence of such aboriginal inhabitants.

10. *Resolved*, That it is the opinion of this Committee, that it is expedient that the surveys of lands in the said Province should be always kept in advance of the demand for land, and that the system of special surveys should be discontinued.

11. *Resolved*, That it is the opinion of this Committee, that it is expedient to adopt the system of selling land in the said Province by public auction at a minimum upset price, and that the sales by auction should take place periodically; and that in the interval between such sales, land which has been put up and not sold should be open for purchase by the first applicant at the minimum upset price; provided, that no land occupied by license by any settler should be sold, unless at the periodical sales, without the consent of such occupier.

12. *Resolved*, That it is the opinion of this Committee, that notwithstanding the general rule of sales by auction, a discretionary power should be reserved, subject to the approbation of one of Her Majesty's Secretaries of State, of allowing companies or individuals to purchase blocks of not less than 20,000 acres each, by private contract, at not less than the minimum price, and of providing, if necessary, for the special survey of such blocks.

13. *Resolved*, That it is the opinion of this Committee, that the minimum price of land in one of the Australian colonies must necessarily be governed to a great extent by the minimum price of land in the other of those colonies; but that in the opinion of this Committee the minimum price of land in South Australia may safely be raised above the present amount of 1 *l.* per acre, and that in fixing such minimum, it is desirable to keep in view the principle of maintaining such an amount as may tend to remedy the evils arising out of too great a facility of obtaining landed property, and a consequently disproportionate supply of labour, and exorbitant rate of wages.

14. *Resolved*, That it is the opinion of this Committee, that it is expedient, that Her Majesty should be empowered to determine from time to time by Order in Council the price below which land shall not be sold in South Australia, and that the minimum price so determined shall in no case be lowered, except by the authority of the Legislature.

15. *Resolved*, That it is the opinion of this Committee, that it is expedient, that the expenses of survey should be defrayed by an acreable charge, in addition to the purchase-money, of all land sold; and that the Governor should be authorized to declare, by proclamation from time to time, at what rate such acreable charge should be made.

16. *Resolved*, That it is the opinion of this Committee, that with respect, however, to any lands which may have been disposed of before the foregoing acreable charge shall have been established, and the survey of which is unprovided for, the expenses of survey should be defrayed out of the future proceeds of the sales of land in the colony.

17. *Resolved*, That it is the opinion of this Committee, that it is expedient, that, subject to the charge for the expenses of the last-mentioned surveys, a proportion of not less than one-half of the monies arising from the sale of public lands in the said province, other than the lands to be reserved and set apart as aforesaid, should be applied in and towards the expense of conveying emigrants to the said province from the United Kingdom; and that the remainder of such monies should form part of the general revenue of the colony, and that such revenue should be applicable to the following charges in the order in which they stand. First, interest and sinking fund of the debt. Secondly, for the benefit of the aborigines, a sum equal to such a per centage upon the receipts from the sale of land, as Her Majesty by Order in Council may from time to time think fit to direct. Thirdly, fixed expenses of civil government. Fourthly, general colonial services, according to the discretion of the Governor and Council; provided, that the proportion of the proceeds of the sales of land set apart as above for emigration, be liable to be applied towards the payment of the interest and sinking fund of the public debt of the colony in the event of the general revenue being insufficient to provide for the same as a first charge.

18. *Resolved*, That it is the opinion of this Committee, that it is expedient, that the unsold lands of the province should be occupied, by license from the Governor of South Australia, by any persons paying an annual rent for the pasturage thereof, and that the money arising from so letting such lands on pasturage, should be appropriated in the same manner as the money arising from the sale of land within the said province.

 19. *Resolved*,

19. *Resolved*, That it is the opinion of this Committee, that many persons have purchased land in South Australia on the faith of a guarantee given by the Act of the 4 & 5 Will. 4, c. 95, that the purchase-money so paid should be expended in giving a value to such land, by the importation of labour; that under the provisions of the Act 1 & 2 Vict. c. 60, the South Australian Commissioners were authorized to borrow from the Emigration Fund in aid of the Revenue Fund; that a sum of 56,746*l.* 14*s.* 8*d.* was in consequence advanced from the Emigration Fund, and has not yet been repaid; that it is expedient that provision should be made by Parliament for the advance to the Emigration Fund of this sum of 56,746*l.* 14*s.* 8*d.*; and that the said sum, when so advanced, should be applied to the purpose of conveying emigrants to South Australia.

20. *Resolved*, That it is the opinion of this Committee, that it is expedient, that the Crown be authorized to call for repayment of any advances under authority of any Act or Acts of the present session on account of the province of South Australia, on the principle adopted for the recovery of advances made for public works, not exceeding the rate of five per centum per annum.

[Adjourned.

Martis, 8° *die Junii*, 1841.

Present:

SIR GEORGE GREY IN THE CHAIR.

Mr. Vernon Smith.	Mr. Sotheron.
Lord Howick,	Lord Stanley.
Lord Eliot.	Sir W. Molesworth.
Mr. W. E. Gladstone.	Mr. Raikes Currie.
Mr. J. Parker.	Captain A'Court.
Mr. G. W. Wood.	Lord Fitzalan.

The Committee considered the draft of the Report.

[Adjourned to To-morrow, at One o'clock.

Mercurii, 9° *die Junii*, 1841.

Present:

SIR GEORGE GREY IN THE CHAIR.

Mr. Vernon Smith.	Lord Mahon.
Lord Fitzalan.	Mr. G. W. Wood.
Lord Eliot.	Capt. A'Court.
Lord Stanley.	Mr. W. E. Gladstone.
Lord Howick.	

Committee further considered the draft of the Report.

In the first paragraph of that portion of the Report relating to land sales, proposed by Lord Howick, after the words " town acre," it is proposed to insert, " After an unsuccessful attempt at realizing 1*l.* an acre," was sold. (Mr. *Vernon Smith.*)

Ayes.	Noes.
Mr. Vernon Smith.	Lord Howick.
Lord Mahon,	Capt. A'Court.
Mr. G. W. Wood.	
Mr. W. E. Gladstone.	
Mr. Sotheron.	
Lord Fitzalan.	
Lord Eliot.	

Ayes 7, Noes 2. Agreed to.

In the draft of that portion of the Report relating to land sales, proposed by Lord *Howick*, in the paragraph beginning, " It is true," &c. proposed to omit, " nor would they upon any account recommend the adoption of a measure by which the amount of money applicable to this purpose should be rendered smaller than heretofore as compared with the extent of land which may be sold."

Question

Question put, "That these words stand part of the Report."

Ayes.	Noes.
Lord Howick.	Mr. Vernon Smith.
Mr. Sotheron.	Lord Mahon.
Capt. A'Court.	Mr. G. W. Wood.
Lord Eliot.	Mr. W. E. Gladstone.

Ayes 4. Noes 4.

The Chairman decided with the Noes.

In page 17, l. 15, after the words "adhered to," it was proposed to insert the following words:

"In the same manner it is clear that the value of land in South Australia must be greatly affected by the terms on which the Government may dispose of land in the neighbouring colonies. Purchasers will hardly give 2*l.* an acre for land in South Australia, if in the immediately adjoining territory it should continue to be sold at a minimum price of 12*s.* or 1*l.* The Australian colonies are so near each other, and the means of communication between them are so easy, that great inconvenience at least must result from allowing any material difference to exist in the rates at which land is sold in them respectively. If the policy of applying the funds, or any definite proportion of the funds derived from the sale of land to emigration, is to be maintained, this inconvenience will be still greater than it otherwise would. For instance, it would be in the highest degree unjust to South Australia that its land should be sold at the high rate of 2*l.* an acre, for the purpose of forming a fund for meeting the expense of immigration, if the labourers whose conveyance to the colony had been thus provided for should immediately be at liberty to leave it for New South Wales or Van Diemen's Land, to which they might be tempted by a higher rate of wages or a lower price of land. Already, as Your Committee have been informed, the evil of re-emigration from one colony to another is beginning to be seriously complained of in Australia, and unless measures are taken to guard against it, there is reason to apprehend that it will prove an insurmountable obstacle to the adoption of effectual means by any of these colonies for supplying the deficiency of labour, of which they all at present complain. Either, therefore, one uniform system with respect to the sale of land and of immigration must be applied to all these colonies, or those in which the highest price shall be imposed upon land, for the purpose of obtaining a supply of labour, must be protected by regulations prohibiting, for some definite period, the removal to the others of those persons whose conveyance from this country may thus have been provided for. Any regulations of this sort must be in the highest degree vexatious and galling, not merely to the immigrants whom they would more immediately affect, but to all the inhabitants of the colony, and after all they would probably prove ineffectual. Your Committee are therefore decidedly of opinion that the other alternative they have mentioned should be adopted, and that one uniform system ought to be enforced in all these colonies. In order to give effect to these views, it appears to Your Committee that it would be expedient by a legislative enactment to empower Her Majesty, by Order in Council, to determine from time to time the minimum price at which land should be sold in all the Australian colonies, providing that the minimum price once so established should not again be lowered, except by the authority of Parliament, and that one-half of the receipts from the land sales should be exclusively applicable to the conveyance of emigrants, of the labouring classes, from this country to the colonies. Such an Act of Parliament would give very great encouragement to the purchase of land, both by effectually guarding against the competition of land sold at a lower rate, and by the certain provision which would be made for the supply of labour; and it would thus, in the opinion of Your Committee, tend greatly to promote the interest as well of the mother country as of the Australian colonies, and to render perfectly safe, as a general measure, that advance in the price of land which they have already recommended, but of which the effects would be more doubtful if it were confined to South Australia.

"Your Committee are aware that in recommending the adoption of a measure not limited to the last-mentioned colony, but embracing in its operation the neighbouring settlements, they may appear to be going beyond the terms of the reference which has been made to them by The House; but they trust it will not be thought that they have exceeded their duty, when it is considered that the result of the inquiry in which they have been engaged has been to convince them that in order to retrieve the embarrassed finances of South Australia, to promote its future prosperity, and at the same time to give the best security for the ultimate repayment of the sums advanced for its immediate relief by the mother country, the price of land in that colony ought forthwith to be increased; while on the other hand, it has no less clearly appeared to them that such is the necessary and intimate connexion between all the Australian colonies, that this measure, greatly as it is required, is one which they could not confidently advise if its operations were to be limited to South Australia alone. Upon this point they will only further observe, that although this measure was first suggested to them by a consideration of the interests and wants of South Australia, they would not have ventured to recommend that it should be adopted, had they not entertained a conviction that its being so would prove equally beneficial to the other colonies which it would affect. The same reasons for which they have advised

that the price of land should be raised in South Australia, equally apply to the neighbouring colonies, and the same symptoms that the present price is inadequate are to be observed in these as in the former. In New South Wales, indeed, the measure appears to be even more urgently necessary than in the settlement they have had more immediately under their consideration. The despatches of Sir G. Gipps, of the 9th September and 25th October last, which have recently been laid before The House, enclosing the report of a committee of the Legislative Council of New South Wales, and the resolutions founded upon that report, and unanimously adopted by the council, express in the strongest manner the opinion of this body of the necessity of a large additional supply of labour; and the Governor expressly states, 'That there is no sacrifice which the people of this colony are not prepared to make, and no security which they are not ready to offer, in order to procure the supply of labour which they so unanimously concur in thinking essential to the continued prosperity of the colony.' These statements seem to Your Committee quite conclusive as to the expediency of the proposed increase of the price of land, so far as New South Wales is concerned; no official documents have been submitted to them, proving that a similar state of things exists in Van Diemen's Land, but it is matter of public notoriety that a deficiency of labour is there also a subject of universal complaint, and the comparatively limited extent of that island, and the consequent expediency of husbanding the resource afforded by the sale of land, is a strong additional reason, with reference to the interest of this colony also, for adopting the measure they have recommended."—(Lord Viscount *Howick.*)

Question, "That these words be there inserted," put and negatived.

Whereupon it was moved to insert the following words: "With this view, it appears to Your Committee that it would be expedient by a legislative enactment to empower Her Majesty, by Order in Council, to determine from time to time the minimum price at which land should be sold in South Australia, providing that the minimum price once so established should not again be lowered, except by the authority of Parliament, and that one-half of the receipts from the land sales should be exclusively applicable to the conveyance of emigrants, of the labouring classes, from this country to the colony. Such an enactment would give very great encouragement to the purchase of land, both by effectually guarding against the competition of land sold at a lower rate, and by the certain provision which would be made for the supply of labour; and it would thus, in the opinion of Your Committee, tend greatly to promote the interest as well of the mother country as of the colony. Your Committee cannot overlook the effect which the adoption of any important recommendation of this nature with respect to the mode of disposing of public lands in South Australia must have on the interests of the rest of the Australian colonies; and they feel it their duty to call the attention of The House to the necessary and intimate connexion between those colonies, and to the great inconvenience which would result from allowing any material difference to exist, either in the system on which land is disposed of, or in the rate at which it is sold in them respectively. Your Committee have, however, limited their recommendation to South Australia, because they feel that the terms of the reference made to them do not authorize them to advise the adoption of a general plan applicable, not only to South Australia, but to all the Australian colonies."

Question, "That these words be there inserted," put and agreed to.

Report agreed to.

Ordered to Report, with the Minutes of Evidence and Resolutions.

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MINUTES OF EVIDENCE.

Lunæ, 15° *die Februarii*, 1841.

MEMBERS PRESENT.

Captain A'Court.	Mr. George Hope.
Mr. Raikes Currie.	Lord Mahon.
Lord Eliot.	Mr. Parker.
Lord Fitzalan.	Mr. Vernon Smith.
Mr. W. E. Gladstone.	Lord Stanley.
Sir G. Grey.	

THE RIGHT HON. SIR GEORGE GREY, BART.

CALLED TO THE CHAIR.

Gordon Gairdner, Esq. called in; and Examined.

G. Gairdner, Esq.

15 February 1841.

1. *Chairman.*] ARE you the Chief Clerk of the Australian Department in the Colonial-office?—I am.

2. Have you brought with you papers from the office, relative to the affairs of South Australia?—I have brought various papers, which I beg to give in.

[*The Witness delivered in the same.*]

Vide Appendix, (Paper No. 1), pp. 1–150.

3. Lord *Stanley.*] Do those papers contain the whole correspondence which has taken place with the Colonial-office, with reference to the original formation, and the present state of the colony?—These papers contain everything material upon those points.

Jovis, 25° *die Februarii*, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Viscount Mahon.
Mr. Raikes Currie.	Mr. Parker.
Lord Eliot.	Mr. Vernon Smith.
Lord Fitzalan.	Mr. Sotheron.
Mr. Gladstone.	Lord Stanley.
Sir George Grey.	Mr. Ward.
Mr. George Hope.	Mr. G. Wood.
Lord Howick.	

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

Colonel *Robert Torrens*, called in; and Examined.

Colonel *Robert Torrens.*

25 February 1841.

4. *Chairman.*] WERE you a member of the original Board of Colonization Commissioners for South Australia, constituted under the Act for the establishment of the colony?—Yes.

5. Were you chairman of the original Board to the time of its dissolution?—Yes.

6. Have you, subsequently to that period, been a member of the existing Board of Colonization Commissioners for South Australia?—Yes.

Colonel *Robert Torrens.*

25 February 1841.

7. In your capacity of chairman of the original Board of Commissioners, did you conduct any of the correspondence carried on between the commissioners and the governor of the colony?—Yes; I have got here a minute statement of the transactions of the first commission, from the time of its being gazetted up to its close, detailing the principal transactions of the Board, but perhaps that might be too long to read to the Committee at present; but, nevertheless, it appears to me to be only just to the persons who were conducting this experiment that the whole should be submitted to the Committee for their consideration.

8. Were there regular minutes kept of the proceedings of the commissioners?—Yes.

9. And that statement comprises those minutes?—That statement is extracted from the minutes, and refers by dates to them.

10. Does it include the correspondence carried on between the commissioners and the successive governors of the colony?—No, it refers more to the correspondence with the Colonial-office, and the constitution and management of the commission.

11. Have you, in addition to the extracts from the minutes to which you have referred, brought with you copies of the correspondence which was carried on between yourself, as chairman of the Board of Commissioners, and the successive governors of the colony?—I have not, but I can easily furnish the Committee with all the letters which were addressed by the Board to the resident commissioner, for it was to the resident commissioner that we addressed our correspondence, and latterly he was governor; I can produce the whole of the correspondence which took place between the Board of Commissioners and the resident commissioner, from the commencement of the commission to the present time.

12. Was there any correspondence carried on between the original Board of Commissioners and Captain Hindmarsh as governor of the colony?—None.

13. Will you have the goodness to send to the Committee a copy of the correspondence between the Board and the resident commissioner?—It will require several days to copy, but it shall be got ready as soon as possible; it is a correspondence of five years.

14. Mr. *Vernon Smith.*] Have you seen the papers which have been already submitted to the Committee?—Yes.

15. Those papers comprising the chief part of the correspondence between the commissioners and the Colonial-office, would the narrative of which you speak complete the whole?—Yes, the papers before the Committee comprise but a small portion.

16. Does your narrative comprise original documents?—Yes, original documents.

17. It is not merely an abstract drawn up from them, but you propose to furnish the Committee with the documents themselves?—I propose to furnish the Committee with a statement referring to the documents which will verify everything in that statement.

18. *Chairman.*] You were understood to say that the papers now before the Committee comprise a part only, and not the whole of the correspondence carried on between the Colonial-office and yourself, as chairman of the original Board of Commissioners?—Yes.

19. Are you able to supply the deficiency, by communicating to the Committee copies of the remainder of the correspondence so carried on between the Colonial-office and yourself?—Yes, I can, if the Committee desire it, furnish the whole correspondence between the Board and the resident commissioner, and the whole correspondence between the Board and the Colonial-office.

20. Is the whole of that correspondence in your opinion essential to the investigation committed to this Committee?—A great part of it is unessential, bearing upon minor points not having much to do with the state of the colony.

21. Can you make a selection from the correspondence which has been carried on between the Board of Commissioners and the Colonial-office, confining yourself to such parts as are necessary to complete the history of the correspondence, as given in these papers?—That is what I alluded to before, and I will endeavour to do so.

22. Mr. *Vernon Smith.*] Can you point out in these papers where there is any deficiency that you wish to supply?—There is so very small a portion of the correspondence there that it would require a long statement to do that.

23. *Chairman.*] Can you furnish the Committee with the dates of the letters which

which you have now with you, which you think essential to complete the history of the colony, so that the Committee may know in what part of the correspondence before them the deficiency exists?—I could not do it off-hand; I could if I had time to do it.

24. Mr. *Vernon Smith.*] With regard to the instructions given by the commissioners to the resident commissioner, would you think it desirable to produce to the Committee any other instructions than those that are contained in your four annual reports?—Yes, there are many despatches touching financial subjects which are not comprised in those annual reports, but they are of minor importance. All the leading instructions are in those reports.

25. Was it not the practice of the commissioners to give in those annual reports everything which they thought material?—Yes, everything which they thought material.

26. *Chairman.*] As respects the correspondence between themselves and the resident commissioner?—Yes.

27. Are the Committee to understand that they are in possession of the whole of the important correspondence which has taken place between the original Board of Colonization Commissioners and the resident commissioner?—I think they are, with respect to general financial instructions. There are some modifications of those general instructions which were occasionally given upon particular points, which might perhaps have authorized Colonel Gawler to spend more money than is specified there. For instance, he was allowed to do two or three things not specified in the annual reports, which the correspondence would show. All essential things connected with finance are given in the reports, but there are some minor points that are not given there.

28. Do you think those minor points are of that nature that they might have induced Colonel Gawler to have varied from the instructions given to him with relation to financial matters?—To some small extent; he had some special authority upon one occasion for building a pier. Authorities of that sort were occasionally given to him, but he had no authority to make any general deviation from his instructions as to expenditure.

29. You of course are familiar with the contents of the four Reports?—Yes.

30. You have also seen the papers laid before the Committee from the Colonial-office?—Yes.

31. Do those reports and papers, taken together, show distinctly the extent of credit given to Colonel Gawler?—Yes, except as I mentioned, when he asked for authority to make some particular item of expenditure, when it was occasionally allowed.

32. Could you select from the correspondence those particular letters which allowed him to deviate from the instructions?—Certainly.

33. Was this correspondence upon the dissolution of the original Board of Commissioners transferred to the existing Board of which you are a member, and is it now in their custody?—Yes.

34. Lord *Stanley.*] Who was your first resident commissioner?—Mr. Fisher.

35. Where are your first instructions furnished to Mr. Fisher with reference to the degree of authority which he was to exercise independently of the authority of the governor?—In the First Annual Report.

36. Have any instructions emanated from the commissioners in which they conceive that they have distinctly laid down the limits between the authority delegated to the governor on the part of the Crown, and that delegated to the resident commissioners on the part of the land commissioners, and in which they have restricted the exercise of the authority of the resident commissioner?—No, the Act of Parliament was not sufficiently distinct to enable us to draw any such precise line. It was understood that all matters connected with the land and all connected with the finance were in the resident commissioner, but finance and government are so blended, that it was difficult to separate the two.

37. The Act of Parliament not having been, as you conceive, sufficiently distinct, was not that an additional reason why instructions should be sent out to define those limits which were left obscure by the Act of Parliament?—Our authority to do that only rested upon the Act of Parliament. We conceived that the governor had nothing to do with land or with drawing bills, but the governor must have had some power to expend money. Upon these questions that are now put to me, I have not come so prepared as I should be upon another occasion, because what I principally came here to state, and was fully

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prepared to go into, was the present financial state of the colony and its resources, and what might be immediately done to put it into a solvent state.

38. *Chairman.*] Have you any statement which you wish to address to the Committee, upon the present financial state of the colony?—Yes. This is a statement of the finances of the colony during the years 1840-41. On the 1st of January 1840, the financial state of the colony was as follows: assets, cash in the hands of the treasurer, 1,534*l.* 10*s.* 3*d.*; Exchequer bills in hand, 18,539*l.* 3*s.* 8*d.*; cash in the hands of the South Australian Company, 53,789*l.* 18*s.* 4*d.*; making a total of 73,863*l.* 12*s.* 3*d.* The liabilities at that period were: due on account of passage-money, assurance and sundries, including dividends payable on the 15th January, 43,726*l.* 15*s.* 5*d.*; leaving an available balance at the disposal of the commissioners, amounting to 30,136*l.* 16*s.* 10*d.*; add to this the guarantee fund in the hands of the trustees, 15,000*l.*, and the total balance in favour of the colony was 45,136*l.* 16*s.* 10*d.*

39. At page 35 of your Fourth Annual Report, there is a statement of the financial receipts and payments of the colony up to the precise date you mentioned, 31st December 1839, which statement is dated 1st January 1840; does the statement you have now made correspond with that contained in your Fourth Annual Report of similar date?—I suppose it does; they are both furnished from the same documents.

40. In what respect does it differ, so as to make the statement you have now given desirable as a substitute, or a supplement to the statement which was laid before Parliament in the course of last year?—Because this is put in a shape that will be more distinctly understood; I have balanced all the assets against all the liabilities, and also against all the available assets that might have been obtained.

41. Then you give it as elucidating, but not varying, the financial statement of the same date to which you have been referred?—Yes.

42. Lord *Stanley.*] The financial statement of the same date contained in the Fourth Report, is called a statement of receipts and payments; that which you are now giving is not of receipts and payments, but of assets and liabilities?—This is quite a different statement; what I am now endeavouring to do is to give the Committee a view not merely of receipts and payments, but of all liabilities, and all means of meeting those liabilities, present and to come.

43. *Chairman.*] Will you compare what you have read with the last item in page 36, where the amount of the balance is stated to be 2,318*l.* 14*s.*; how do you account for the difference?—I cannot explain that; they were both given to me by the accountant; I believe, if the accountant is examined, it will be seen that they perfectly tally.

44. Lord *Howick.*] Does the statement you have read include the revenue fund and the emigration fund?—Everything.

45. Does it mix them up together?—No; it shows what is due to the emigration fund; it states the whole of the assets, whether from the revenue fund, or from the land fund.

46. Then it is a statement of the whole together, without distinguishing them?—The total assets and the total liabilities; I have not analyzed the account as the accountant has done; I have given the gross results, making the total of the assets 73,863*l.* Against that I have put the whole of the liabilities, amounting to 43,726*l.*; deducting the liabilities from the assets, the available balance in the hands of the commissioners then was 30,136*l.* To that we have to add 15,000*l.* which constituted the then guarantee fund, 5,000*l.* having been withdrawn from it. Therefore the whole available balance in the hands of the commissioners on the 1st of January 1840 was 45,136*l.*

47. Captain *A'Court.*] Was this at the time that the first commission was broken up?—A few days before the old commission was broken up. On the 1st of January 1840 the whole of the colonial debt contracted by the commissioners was 80,000*l.*, while the available funds at the disposal of the colony, over and above all liabilities incurred, amounted to 45,136*l.*; deducting the funds in hand from the loan contracted, the whole of the actual debt chargeable upon the colony on the 1st of January 1840 amounted only to 34,873*l.*; but while on the 1st of January 1840 the amount of debt over the funds in hand was only 34,000*l.*, and while the immediately available balance of assets, over and above the immediate liabilities in this country, amounted to the considerable sum of 45,000*l.*, the provisions of the Acts of Parliament, and the then credit of the colony, placed in the hands of the commissioners the power of providing still larger resources: as they had

had borrowed only 80,000*l.* out of the 200,000*l.* authorized by the first Act of Parliament, they had, under the provisions of this Act, the power of raising the further sum of 120,000*l.*; under the same Act the commissioners had the power of raising a further sum of 50,000 *l.* for emigration by the issue of colonial land securities, and as they had at the same time borrowed 36,812 *l.* from the emigration fund, as authorized by the amended Act, they had, under the provisions of that Act, the power of raising a further colonial revenue loan of 36,812 *l.* for the purpose of replenishing the emigration fund.

48. Lord *Stanley.*] You have stated a sum of 36,000 *l.* as due from the revenue fund to the emigration fund, and you are now giving us a statement of the whole colonial revenue, including the emigration revenue; where do you take credit on the other side for the same amount of 36,000 *l.*?—That 36,000 *l.* was part of the money which had been expended; it was borrowed from the emigration fund, and was expended; it was a credit which the colony had under the Act of Parliament; it was money expended, but it was money which they had the power of borrowing again to replace the emigration fund under the second Act; it was a credit that they had under the Act of Parliament, inasmuch as they had the power of going and raising that money. I do not state that as an actual asset, I state it as a possible asset if the Act had been carried into effect.

49. *Chairman.*] Was it the case that, by the original Act, the whole gross proceeds of the land were applicable to emigration exclusively?—Yes.

50. Was it also the case that, by the amended Act, power was given to the commissioners to borrow on behalf of the revenue of the colony from the emigration fund a certain sum, which they were ultimately to repay out of the future revenue?—Yes; they were not only empowered, but they were required to raise a loan, in justice to the purchasers of land, who had bought the land upon the faith that it would be replaced.

51. Will you read the provision to which you refer in the amended Act, requiring the commissioners to raise 36,000*l.* on behalf of the revenue of the colony from the emigration fund?—"And be it enacted, that it shall be lawful for the said commissioners to apply all or any of the money which now is, or shall from time to time be, in the hands of their treasurers, to the payment of the interest on the said South Australia public lands securities, and on the said South Australia colonial revenue securities respectively, and of the annuities by this Act authorized to be granted, and to the paying or defraying any expenses incurred in carrying the said recited Act and this Act into execution, or in applying for and obtaining the said recited Act and this Act, although such money should not form any part of, or have arisen from the revenue or fund charged primarily or exclusively with the payment of the interest or expenses to which it shall be so applied; provided always, that in every case in which any money advanced out of the monies borrowed on the said South Australia colonial revenue securities, or derived from the revenue of the said province, shall be applied in aid of the emigration fund, the money so advanced shall be a debt due from the said emigration fund to the said province; and in case any part of the said emigration fund shall be applied in aid of the revenues of the said province, the monies so advanced shall be a colonial debt, owing by the said province to such commissioners on account of the said emigration fund, and distinct accounts of all such advances shall be kept in the books under the direction of such commissioners; and such advances respectively shall be repaid or replaced as soon as conveniently may be (but without interest thereon in the meantime) by such commissioners out of the monies accruing to the fund debited with such advance; and when any money advanced from either of the said funds, in aid of the other of them, shall be required for the purpose of the fund from which the advance shall be made, the said commissioners shall and may borrow and take up at interest, or raise in addition to the monies which they are authorized to borrow by the said recited Act" (that is, in addition to the 200,000*l.* allowed by the first Act) "money for repaying such advance, by all or any of the means by this Act or the said recited Act authorized."

52. In pursuance of that provision, did the commissioners expend money derived from the sale of land, and constituting the emigration fund, in aid of the general revenue of the colony?—Yes; in January 1840 they had expended 36,800 *l.* of the emigration fund.

53. And of course you have not included that 36,800 *l.* in the estimate of the colonial debt existing on the 1st of January 1840?—No, it was a debt that the colony owed to itself.

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54. Still the commissioners were bound, from the revenue of the colony, or from money borrowed on the security of the revenue, to repay that debt at the earliest possible period?—Yes, when required for emigration.

55. Lord *Stanley.*] Then the larger the sum that one of the funds borrowed from the other fund, the larger was the amount which the colony might raise in the public market?—Certainly.

56. Mr. *Raikes Currie.*] Is there not a limiting proviso at the end of the clause?—Yes; that proviso limited them to take only one-third of the money raised during the year, but the commissioners might have taken the whole of that amount in any intermediate part of the year.

57. *Chairman.*] Will you read the words of the proviso?—"Provided always, that the amount advanced from the said emigration fund in aid of the revenue of the colony, together with the debt which may have been due to the said emigrati n fund at the commencement of any year, shall not at the close of any such year exceed one-third of the amount which may have accrued to the said emigration fund in the course of such year." But we might have done what we pleased in the course of the year, provided we borrowed so as to bring the debt within one-third of the amount of the land sales during the year; we had an unlimited power, as we conceived, of going to the public for loans, provided such loans were made to replace to one fund the money previously borrowed from the other.

58. Mr. *Raikes Currie.*] You were limited by the actual amount of assets in the emigration fund?—At the close of the year.

59. *Chairman.*] Do you mean that at any period during the year you might have expended the whole of the emigration fund, provided before the close of that year you went into the market and borrowed a sufficient sum to repay the money taken from the emigration fund, so as to bring you within the limits of the proviso?—Yes.

60. Mr. *Vernon Smith.*] Do you consider the words "any part of the emigration fund," to mean "more than the emigration fund"?—No; but we had the power of borrowing, on account of the emigration fund, 50,000 *l.*

61. Lord *Stanley.*] Supposing your emigration fund within the year amounted to 100,000 *l.*, and that your amount of debt previously incurred was 20,000 *l.*; by the apparent construction of the proviso at the end of this clause you would not have been enabled to have incurred a larger debt at the end of the year than 33,000 *l.*; that is to say, you would not have been enabled to increase your previously existing debt of 20,000 *l.* by more than 13,000 *l.* in the course of the year?—Certainly not, if we had allowed it to run to that.

62. But, according to the interpretation that you have now given of that power, provided you did not owe to the emigration fund more than 33,000 *l.* at the close of the year, you might in the meantime have advanced from the emigration fund to the revenue the whole proceeds of the emigration fund, and you would have conceived yourselves authorized to go into the market and to create an additional debt upon the revenue, to the whole amount of 100,000 *l.*, if you could so have borrowed it?—Certainly; I conceive that to be the power given under the Act.

63. And you conceive that to be justified, although contrary to the obvious meaning of the proviso, by the interpretation that your affairs were only required to be in that state at the close of the year, without regard to what condition they had been in during the intervening 10 months between the first and last month of the year?—I think if we kept the debt within one-third of the emigration fund at the close of the year, we fulfilled the condition of that proviso.

64. And that you might have advanced the whole sum during the whole of the preceding 10 months?—I think there is nothing in the Act to prevent it.

65. Lord *Howick.*] According to your interpretation you might, in the month of January, have borrowed 100,000 *l.* from the emigration fund, and in the month of February you might have raised from the public a loan of 100,000 *l.*, and repaid that. In the following month you might have again borrowed 100,000 *l.* from the emigration fund, and again raised a loan from the public to have repaid it, and at the end of the year you might have accumulated a permanent debt of about a million?—I think there is nothing in the Act to prevent it.

66. Lord *Stanley.*] Have the commissioners practically acted upon this principle? Have they practically borrowed in any year, in pursuance of the provisions of this Act, a larger amount than, added to the previous debt, would have constituted one-third of the emigration fund for the year?—We have.

67. To what extent?—£. 97,000 we have borrowed from the emigration fund.

68. The emigration fund in the year, amounting to how much?—Under 20,000 *l.*

69. And the previous liabilities upon it, before the new loan, amounting to how much?—The liability commenced with 36,000 *l.* Upon the 1st January 1840 we were within the limit; the sales of land for the previous year had been 160,000 *l.*, and we had only borrowed 36,000 *l.*, therefore we were far within our limit then.

70. To what extent at any one time have you, by borrowing money, exceeded the limit apparently imposed by this proviso, of not borrowing at any time a sum which, together with the previous liability, amounted to more than one-third of your annual emigration revenue?—To upwards of 80,000 *l.*

71. To what extent in the whole?—About 90,000 *l.* To give that answer perfectly accurately, I should have the land sales of this year, which I have not by me.

72. *Chairman.*] Can you state the particulars of the first loan from the emigration fund to the revenue, after the passing of the amended Act?—In the course of the year 1839 it was 36,000 *l.*

73. The Act passed on the 1st July 1838; when did you first raise a loan under the authority of that Act, and to what amount?—The first loan from the emigration fund was in July 1839; it was 13,000 *l.*

74. Then you did not raise any loan under the authority of the Act of the 1st of July 1838, till a twelvemonth after the passing of that Act, namely, in July 1839?—Not to any considerable amount; we had the residue then of the 80,000 *l.* borrowed under the authority of the first Act.

75. Will you proceed with your statement with reference to the financial state of the colony?—I have stated that on the 1st of January 1840, we had a balance of immediately available assets, over and above immediate liabilities, amounting to 45,136 *l.* 16 *s.* 10 *d.*; then under all these provisions we had the power of borrowing on the 1st of January the residue of the revenue loan of 200,000 *l.*, amounting to 120,000 *l.* We had a power under the first Act of borrowing 50,000 *l.* for emigration, and under the amended Act we had the power of borrowing 36,812 *l.* to repay the debt then due to the emigration fund; therefore on the 1st of January 1840 we had the power of borrowing under the Acts of Parliament 251,948 *l.* 16 *s.* 10 *d.* It will be apparent, in considering the then circumstances of the colony, and the state of the money market, that on the 1st of January 1840 the commissioners could have found no difficulty in raising upon the security of the revenues and unsold lands of the colony any requisite portion of the loans authorized by the Acts of Parliament. The colony having founded itself and maintained itself for a period of three years, had on the 1st of January 1840 incurred, after deducting the funds in hand, a debt of only 34,000 *l.*; the population of South Australia, including the emigrants dispatched from this country during 1839, amounted to about 13,000 souls; the sheep were estimated at 150,000, and the revenue derived from local taxation was yielding at the rate of 20,000 *l.* per annum, and rapidly increasing; the land sales in the course of the year had realized 168,552 *l.*; that any requisite loan could under such circumstances have been raised at a moderate rate of interest does not appear to admit of doubt. On the 14th of April 1840 the financial state of the colony was less favourable than at the commencement of the preceding quarter; the land sales in this country had fallen off very considerably; bills drawn by the resident commissioner had been accepted to an unusual amount, while in the months of February and March five emigrant ships conveying 972 souls had been chartered by the commissioners at a considerable expense; by these means the immediately available funds at the disposal of the commissioners were decreased, while the liabilities were incurred. Under these circumstances it was apparent that it would soon become necessary for the commissioners to carry into effect the provisions of the Act of Parliament, and raise a revenue loan for replenishing the emigration fund, for providing for the passage-money falling due to the ship-owners, and for providing for the extraordinary drafts arriving from the colony to a still increasing amount. Early in March the expediency of raising the requisite loan by the issue of revenue bonds exchangeable at par into land, was considered; in the beginning of June the consideration of the loan was resumed, and about the middle of that month an advertisement was prepared inviting tenders for a loan of 60,000 *l.*; but while the subject of raising the loan was under discussion, the financial state of the colony continued to be changing for the worse; the land sales

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in this country had nearly ceased; a cost of 32,549 *l.* had been incurred by the chartering of 14 emigrant ships, and from the 1st of January to the end of June, drafts from the colony to the extraordinary amount of 42,000 *l.* had been presented for acceptance. It was now seen that a loan of 60,000 *l.* would be insufficient, and it was resolved to lay a statement of the financial condition of the colony before the Government, and to obtain the sanction of the Treasury for obeying the Act of Parliament, and raising the increased loan of 120,000 *l.* to discharge existing liabilities, and to keep faith with the purchasers of land, by continuing emigration. On the 1st of July 1840, the financial state of the colony was as follows:—immediate available funds: cash in the hands of the treasurer, 8,905 *l.* 4 *s.* 10 *d.*; Exchequer bills in hand, 15,052 *l.* 11 *s.* 8 *d*; in the hands of the South Australian Company, 12,798 *l.* 19 *s.*; making the whole of the immediate available assets 36,756 *l.* 15 *s.* 6 *d.*: then the liabilities had increased; the passage-money due to the ship-owners, and agencies, and sundries, increased the liabilities, so that including the dividends on bonds payable on 15th July, they amounted to 56,079 *l.* 4 *s.* 11 *d.*; consequently there was a deficiency of liabilities over the assets of 19,322 *l.* 9 *s.* 5 *d.*

76. You have stated that on the 1st of January 1840 the whole existing debt of the colony was 34,000 *l.*; in page 22 of your Fourth Annual Report there is a statement in these words: "The total debt which is charged upon the revenues of the colony up to the 31st December 1839, arising from loans the commissioners have found it necessary to require, is 123,396 *l.* 12 *s.*;" you then state the particulars of that debt, and go on to state, "the loans from the emigration fund, amounting to 31,596 *l.* 12 *s.*, must, under the provisions of the Act of 1 & 2 Vict. c. 60, be replaced by the issue of an additional amount of colonial revenue securities, in order that the whole of the proceeds of the land sales may be applied to the conveyance of labour to the colony; when this repayment shall have been effected, the interest accruing upon the further issue of revenue securities will form an additional annual charge upon the province, which must ultimately be provided for by taxation. It would be superfluous, and perhaps improper, to enter in this place upon an explanation of the measures which, had our functions continued, we should have felt it our duty to adopt, in order to place the finances of the province upon a stable foundation, by providing for the payment of the interest, and ultimately of the principal of the debt of 123,396 *l.* which has been incurred in planting the colony, and in providing for its government for a period of three years." How do you reconcile that statement in your report of the existing liabilities and debts of the colony on the 31st of December 1839 with your present statement, that the debt at that period amounted to only 34,000 *l.*?—I can explain it in this way: when I stated that the debt due on the 1st of January was only 34,000 *l.*, I deducted from it the available assets in hand; in this annual report the assets in hand are not deducted, but, on the contrary, the debt due from the revenue fund to the emigration fund is added and included as part of the debt; I do not include that as part of the debt in my present statement; here the dividends falling due in January are not referred to, in the other statement they are; it will be thus seen that, while on the 1st of January the immediately available funds at the disposal of the commissioners exceeded the actual liabilities by 30,000 *l.*, on the 1st of July their actual liabilities exceeded their available funds by 19,322 *l.*, while the debt due to the emigration fund had increased from 36,812 *l.* to 63,737 *l.*

77. Lord *Stanley.*] Then that 63,000 *l.* would have to be added to the liabilities of 20,000 *l.* and to your debt of 80,000 *l.*?—It was due; then we had the power of meeting it under the Act.

78. Mr. *Sotheron.*] Then the debt which had been 36,000 *l.* on the 1st of January, had amounted to 63,000 *l.*, but you have not added that in your present statement as part of your debt?—No, it has not been raised, it has not been yet incurred; it is a debt that ought to be raised, it ought to be incurred. On the 7th of July the commissioners addressed a letter to the Colonial department, setting forth the financial difficulties which had been created by the excessive expenditure of the local government.

79. *Chairman.*] Is that the letter which appears at page 84 of these printed papers?—Yes; and requesting, in consequence of the increased responsibility thereby thrown upon them, the advice and guidance of Her Majesty's Government. On the 20th of July an answer to the letter was received from the Colonial-office, conveying to the commissioners the sanction of the Lords of the Treasury for raising the residue of the loan of 200,000 *l.*, in conformity with the provisions of the

the first South Australian Act. On the 21st of July the commissioners advertised for tenders for a loan of 120,000*l.*, the tenders to be sent in on the 3d of August. In the meantime, however, alarm began to prevail in the money market from the apprehension of war, and on the 3d of August no available tender was received. The still-increasing difficulties created by the enormous amount of the colonial expenditure became known, and the negociations for the loan which, on the failure to obtain tenders from the public, were commenced with private parties friendly to the colony, could not be brought to a favourable conclusion. Under these circumstances, it became impossible for the commissioners to accept the bills arriving from the colony, or to pay the large amount for freight and agency becoming due, unless through the aid of Her Majesty's Government. For such aid it was, therefore, indispensable that immediate application should be made: a difference of opinion unhappily arose among the commissioners as to the manner and degree in which that application should be pressed. I had full confidence in the efficacy of Mr. Wakefield's principle of raising colonization loans on the security of the value which their expenditure creates; I had seen this principle, in the short period of three years and under difficulties which to many appeared insuperable, transform an unexplored wilderness into a populous settlement, and I felt an undoubting conviction that its application by the Government to the extent authorized by Parliament would save the colony without endangering the public purse. Under such impressions the letter dated the 26th of August, and addressed to the Colonial department, appeared to me to be inadequate to the occasion, and I prepared the draft of a letter to be substituted for it, embracing my peculiar views.

80. *Chairman.*] Is that letter of the 26th of August the letter which appears at page 91 of these printed Papers, to which your signature is attached?—Yes; I signed that letter because, though I did not entirely approve of it, I thought it was necessary that some unanimous expression of opinion should go from the Board to the Colonial-office; and I then sent in a stronger letter, giving the whole of my view of what would have saved the colony.

81. Do you mean that, although you agreed in the general tenor of that letter, you thought that it did not go far enough to carry out your views, and therefore you, as an individual commissioner, addressed a letter to Lord John Russell, in which the other commissioners did not concur?—Yes.

82. Was that letter received by Lord John Russell?—It was returned by Lord John Russell, stating that he could not receive it, but authorizing me to put it before the Treasury and before this Committee. I have already put it before the Treasury; I gave it to Mr. Parker, and I was authorized to produce it here.

83. What was the date of that communication you addressed to Lord John Russell, and which was not received?—The 23d of September; it was addressed to Mr. Stephen, to be submitted to Lord John Russell.

84. Was the ground of its not being received, that Lord John Russell did not think himself authorized to receive an official communication from one member of the Board in which the others did not concur?—Yes; but he stated at the same time that I should submit it to the Treasury, and that I should submit it to this Committee.

85. Was that stated to you in writing?—Yes.

86. And you have a copy of the letter?—I have.

87. Did you communicate a copy of that letter to your colleagues, before you transmitted it to Lord John Russell?—Yes, I did repeatedly; one was absent, and I communicated it to the other; I wrote two letters, one was a draft which I wished to substitute for the letter of the 26th of August, that was never sent; the letter which I wrote to Mr. Stephen, to be submitted to Lord John Russell, was as follows:

South Australian Colonization Office,
23 September 1840.

Sir,

HAVING in the letter addressed to you on the 17th instant suggested, as a means of averting the serious disaster with which the colony of South Australia is threatened, that Her Majesty's Government should guarantee a loan to be raised by the Colonization Commissioners upon South Australian securities, to an amount sufficient to repay the debt due to the emigration fund, and to sustain the credit of the local government; I now beg permission to submit for the consideration of Lord John Russell the grounds upon which it is presumed that, in giving the proposed guarantee, Her Majesty's Government may obtain complete security against any charge either on account of the interest or the principal of the South Australian loans falling upon the public purse. The circumstances are

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such that timely aid in the form of credit may prevent the necessity of any actual advance of money from the treasury. The resources of the colony are rapidly improving. It would appear by the last advices that the population approaches to 15,000 souls; that the number of sheep may be estimated at about 150,000; that flocks both of sheep and cattle in quick succession were arriving overland from New South Wales; that tillage had commenced with highly promising results, and was proceeding upon an extended scale; that the export trade in the Australian staples of wool and oil had already commenced; that the ordinary revenue of the colony was yielding at the rate of 20,000 *l.* per annum, and that in the course of the year 1839 the land sales amounted to 168,552 *l.* The extraordinary and unauthorized expenditure which has caused the present difficulties may contribute, if a financial crisis can be averted, to render the progress of the colony more rapid than it otherwise would have been, inasmuch as the public works on account of which a large portion of that expenditure was incurred, are calculated to make industry more productive by opening communications and reducing the expense of transport. Under these circumstances, if the stream of emigration can be kept up, and the credit of the colonial government can be sustained, it would appear morally certain that the ordinary sources of revenue, together with the proceeds of the sales of public land, would afford to the Government complete security against any charge falling upon the public purse on account of the proposed guarantee, were it not that the district of South Australia in which fertile lands have been found, is probably, as indicated by the decrease in the land sales at the close of the last year, too limited in extent to constitute a separate and independent province. But this only source of danger to the public purse the Government may altogether avert, by extending the south-eastern boundary of the colony in the way in which it was suggested in the letter addressed to you on the 7th July; that letter was signed by the whole of the commissioners. On the subject of extending the limits of the province of South Australia it may be proper to submit some further explanation for the consideration of Lord John Russell. The geographical position and boundaries of the province were fixed by Act of Parliament before any adequate knowledge of the country had been obtained, and upon the assumption that the districts north and west of St. Vincent's Gulf were similar in character to the district explored by Capt. Sturt. This assumption, it is now ascertained, was erroneous. The only part of the province of South Australia in which any considerable extent of fertile land has been found, is the district bordering on the east coast of St. Vincent's Gulf, Lake Alexandrina, and the Murray; and this district, though represented as containing land equal or superior to that found in any other part of New Holland, is perhaps too limited in extent to become the seat of an independent and self-supporting colony. Even if no financial crisis had occurred at the present time in consequence of the unauthorized expenditure of the local government, it might nevertheless at some future time have been found expedient to protect the public purse, by rectifying the original mistake committed in determining the boundaries of the province. With this explanation, I beg permission to recommend the following measures, as calculated to avert from South Australia the serious calamities with which the colony is threatened, and at the same time to afford to the Government a complete guarantee that the aid required will entail no charge upon the public purse:— First, that a portion of the unavailable territory in the northern and western districts of the province of South Australia be exchanged for an equal portion of available territory exterior to the present south-eastern boundary, and that the new territory thus acquired be of sufficient extent to comprise not less than 500,000 acres of land, equal in quality to that which is sold for 1 *l.* per acre in the districts of Adelaide and Port Philip. Secondly, that early in the ensuing session of Parliament, a Bill be brought in authorizing the alteration in the boundaries of South Australia, as above described, and providing that one-half of the proceeds obtained by the sale of public land in the province, as thus extended, shall be appropriated to the payment of the interest and principal of the loan guaranteed by Government, and the other half applied to the purposes of emigration. Thirdly, that Her Majesty's Government should guarantee a loan of 210,000 *l.*, to be raised by the Colonization Commissioners upon the security of the revenues and unsold public lands of the province of South Australia. Of this loan, 120,000 *l.* would complete the residue of the sum of 200,000 *l.*, authorized by the Act 4 & 5 Will. 4. to be raised for the establishment of the colony and the government thereof, while the remaining 90,000 *l.* of the proposed loan of 210,000 *l.*, would be raised under the authority of the 1 & 2 Vict. c. 60; the third section of which Act requires that money shall be raised upon colonial revenue securities, for the purpose of replacing whatever sums may be borrowed from the emigration fund. In conclusion, I beg permission to repeat my conviction, that should the measures I have ventured to suggest be adopted, and the loan required to sustain the credit of the colonial government, and to replace, as required by the Act of Parliament, the sums borrowed from the emigration fund, be raised under the guarantee of Her Majesty's Government, and secured upon an extension of territory as above described, the present difficulties will be overcome, the population and wealth of the colony will continue to increase as they hitherto have done, and the growing revenue, with the proceeds of the sale of public land, will prove amply sufficient to pay the interest and principal of the additional loans, and to avert the necessity of any actual advance from the public purse on account of the colony of South Australia. The rapid and perhaps unprecedented prosperity of the colony of South Australia, up to the time at which the excessive and unauthorized expenditure of the local government occasioned the present financial difficulties, appears to give the sanction of experience to the confident expectation herein expressed,

expressed, that if these difficulties can be now removed, the principle of self-support upon which the colony was founded may be completely carried out. Though some of the arrangements under which this principle was applied were faulty, and though, in conducting an untried experiment practical mistakes may have been committed, yet a colony established in 1836, had in December 1839 a population of 10,000 souls, 100,000 sheep, with flocks of 25,000 on their way overland, and an ordinary revenue yielding at the rate of 20,000 *l.* per annum; while the proceeds obtained by the sale of public land amounted to 229,696 *l.* From these facts the inference seems certain, that if the credit of the local government can be sustained, and the sums borrowed from the emigration fund replaced, the increasing population and the multiplying flocks will create such additional demand for public land, that the proceeds resulting from its sale will be amply sufficient to discharge the debt guaranteed by Government. The facts themselves, though not officially stated to the commissioners, rest upon communications, the authenticity of which it is impossible to question.

I have, &c.

(signed) *Robert Torrens.*

88. The substance of that recommendation was, that there should be an addition, by Act of Parliament, of 500,000 acres to the colony, with a view to provide a security for a loan sufficient to free the colony from its embarrassments?—Yes.

89. What is the extent of the area covered by the colony at present, under the original Act?—I believe it is 190 millions of acres; a great part of that is unavailable.

90. To which you propose to add 500,000?—Yes.

91. Then with regard to those 500,000 acres, you intended to apply what you term Mr. Wakefield's principle only to one half of it?—Yes.

92. Have you got the answer to that letter?—I have it not here, but I will bring it the next day. In these views, that is, the views expressed in the letter which I drafted to accompany, or as a substitute for that of the 26th August and 17th September, my colleague could not concur; and as it was most desirable that an unanimous application from the Board should be presented to the Government for aid, I consented to accede, under some modifications, to the original letter, in the hope that I might in return be able to induce my colleague to concur with me in the additional and stronger representations which I deemed it indispensable to make; further reflection on the subject confirmed my opinion that such was the proper course. It appeared to me that it would not only be injurious and unjust to the colony, but unfair to the Government from which we were demanding aid, to abstain from representing the case in its entire strength, and in all its bearings. It seemed due to the colony to represent the whole extent of its claims upon the consideration of the Government, and due to the Government, which we were urging to incur a large pecuniary responsibility, to show the magnitude of the public evil which their non-intervention might involve, and at the same time to explain the way in which timely intervention, while it saved the colony from a calamitous revulsion, might prevent instead of causing a demand upon the public purse.

93. Are the Committee to understand that you concurred in the statement of facts contained in the letter of the 26th of August, but that you did not concur with your colleagues in simply asking the direction of the Government, but wished to add to that letter a recommendation of an addition, by Act of Parliament, of 500,000 acres to the colony?—Yes; I agreed mainly in that letter.

94. Did you agree in the statement of facts and in the narrative which that letter contains?—Yes.

95. But as that letter contained no suggestion to the Government, but merely asked its direction, you wished to have added the suggestion which you did make in your letter to Lord John Russell?—Yes.

96. You have arrived now in your narrative at the letter of the 26th of August, which is before the Committee?—Yes.

97. The next letter before the Committee from yourself and another of the commissioners, is of the 11th of September; have you anything to state which took place in the intermediate period?—No; the opinions expressed in the letter which I have now read to the Committee, I continue to hold with unabated confidence, though a calamitous revulsion will have been occasioned, at the effects of which I tremble; yet I nevertheless believe, that by giving effect to the provisions of the Acts authorizing the colonial loans, South Australia may be restored to prosperity without any ultimate charge being entailed upon the public purse. The state of the finances on the 1st of January 1841, was as follows:—Assets immediately available: in the hands of the treasurer, 592 *l.*; in Exchequer bills, 3,593 *l.*

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3,593 *l.*; the guarantee fund; in the hands of Government, 15,000 *l.*; making the whole immediate available assets 19,185 *l.*

98. Lord *Stanley.*] You do not include any item on account of the South Australian Company?—They have paid up their money; the liabilities were as follows: passage money, agency and sundries, including dividends on bonds due 15th January, 47,189 *l.*; bills presented but not accepted, 43,766 *l.*; probable amount of unauthorized bills yet to come (because Colonel Gawler did not get his instructions to stop till the 5th of November), 20,000 *l.*: that is an assumed amount; 8,000 *l.* have arrived last week, since this was written, making the whole of the liabilities 110,955 *l.*; then deducting the immediately available assets, 19,185 *l.*, the deficiency now due is 91,770 *l.*

99. In addition to that, what is the debt of the colony?—£. 80,000; and there is a large debt due to the emigration fund besides.

100. Lord *Mahon.*] What is the amount of that?—£. 97,800; the whole debt of the colony, without going into the nominal debt due to the emigration fund, and the excess of liabilities above assets, is 91,770 *l.* and 80,000 *l.*

101. Lord *Stanley.*] Besides the transactions between the emigration fund and the revenue fund?—Yes: here again I would beg to remark to the Committee that a complete understanding of the finances of South Australia cannot be obtained without taking into account the available resources of the colony under the provisions of the Acts of Parliament. The Colonization Commissioners are authorized to raise the following sums: by the first Act, a revenue loan of 120,000 *l.* (that is, the residue of the 200,000 *l*); by the same Act an emigration loan of 50,000 *l.*, and, by the amended Act, a revenue loan to replace the sum borrowed from the emigration fund, and now amounting to 97,840 *l.*; therefore the whole of the sums that, under the Acts of Parliament, the commissioners could now raise if the colony was in a state of credit, would be 267,840 *l.*

102. You do not put those as assets?—No, these are possible assets if the colony was in credit; and the question is, whether, if the Government was to lend that money to the colony, the Government would be safe.

103. Supposing that the accounts were at this moment wound up altogether, there would be a deficiency of 170,000 *l.*?—Yes.

104. Mr. *Gladstone.*] With respect to the excess of expenditure and the arrival of bills from Captain Gawler, when do you expect that will cease?—I have given all that have arrived up to the 1st of January; this account is made up to the 1st of January; at that time there were about 40,000 *l.* of bills not accepted, and I suppose that before he would get instructions to stop we should probably get 20,000 *l.* more.

105. Mr. *Ward.*] That is, supposing that Colonel Gawler continues to draw at the same rate that he did up to November?—Exactly.

106. Viscount *Mahon.*] What was the date when the first bill was presented and not accepted?—It was some time in the end of July or the beginning of August; I have not the bill here nor the amount of it, but I will furnish the Committee with that information.

107. Mr. *Raikes Currie.*] You have estimated the amount of bills that Colonel Gawler will continue to draw before he can be stopped from drawing, at 20,000 *l.*; you have also stated that since that estimate was made, 8,000 *l.* of those 20,000 *l.* of bills have actually arrived?—Yes.

108. Does the proportion which this 8,000 *l.* of bills which has arrived in the interval bear to the 20,000 *l.*, as compared with the time, show you that your estimate is a correct one?—An approximation; they fluctuate in different months, but it is an approximation.

109. It does not lead you to suppose that your estimate is too small?—No, I think it is a fair estimate.

110. Mr. *Ward.*] You have stated amongst the liabilities of the colony a sum borrowed of 97,000 *l.* transferred from the one fund to the other. Do you mean that the power which was given by the Act would authorize you to replace that by an additional loan from the public, over and above the 200,000 *l.* which you were authorized to borrow?—Yes.

111. *Chairman.*] In your letter of the 26th of August, signed by yourself and the other commissioners, there is this sentence at page 92: "Even if the colonial officers could imagine that the disposition to lend money, however often resorted to, would have no bounds, they might have been expected to remember that at any rate the power of the commissioners to borrow had, by wise provisions

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in the fundamental laws of the colony, a strictly defined limit." Will you state to the Committee the precise limit within which you conceive the power of the commissioners to be restricted?—That is the letter that I said I signed from the necessity of unanimity in making the application, though I did not altogether approve of it. I objected to that passage, and I thought it had been left out; that passage is not conformable to my reading of the Act of Parliament.

112. You do not think the commissioners were limited within any strictly defined bounds as to the power of borrowing?—I do not think the Act of Parliament defines the bounds. I think that passage slipped in unintentionally. I have some recollection that I pointed it out.

113. When you say that it slipped in unintentionally, you mean not that it was not concurred in by the other commissioners, but that you yourself inadvertently signed a letter containing that statement?—I think that, if the attention of the other commissioners was called to it, they would think it an omission in putting it into the letter; that is not strictly in conformity with the Acts.

114. Mr. *Vernon Smith.*] The next sentence states, "We lament to say, however, that by the despatches received since our last communication, and which are so important that we annex copies of them, this consideration appears to have escaped every person in authority in the colony." Do not you think those two sentences implied some consideration of the subject?—I think they relate to different things. The commissioners practically have a limit.

115. What limit?—The limit of the credit of the colony.

116. *Chairman.*] This passage speaks of a limit laid down by the Act of Parliament?—I do not see any limit laid down in the Act of Parliament. I believe that passage was intended to be struck out of the letter. It was sent in in great haste, as it was so pressing. If the Committee will look at the second Act of Parliament, section 3, they will see that it is not in conformity with that letter.

117. Lord *Stanley.*] That is the proviso referred to in a former part of your evidence?—Yes. Deducting the amount of the deficiency over and above what I conceive we are authorized to raise, if the loans were raised which the Act of Parliament gives the power of raising, there would then be in hand 176,000 *l.*

118. What is the state of the emigration fund separately considered?—There is nothing in the emigration fund; that has been all taken by the other fund, the 97,000 *l.* There may have been something accumulated in the colony by the purchase of land, and perhaps about 4,500 *l.* here.

119. *Chairman.*] When was the emigration fund wholly drawn out?—About August.

120. Captain *A'Court.*] If the emigration is stopped, there will be no further sale of land?—No.

121. Lord *Stanley.*] When was it, according to the construction you place upon the proviso in the 3d section, that the law was violated, inasmuch as at the end of the year the total amount borrowed exceeded one-third of the amount which accrued to the emigration fund in the course of the year, together with the accumulated debt?—Very early in the year, in March or April 1840; because we were selling very little land, and we were drawing largely from the emigration fund.

122. According to your interpretation of the proviso, there is no restriction attaching to the amount of borrowing, except at the end of each year, and provided you could make it straight at the end of the year you might have borrowed any sum of money, without reference to the amount of the emigration fund at the time; at what period did it first happen that, according to your interpretation, the Act of Parliament had been violated?—Strictly, perhaps, the latter Act of Parliament was not violated till the end of the year 1840.

123. Lord *Eliot.*] You stated that upon one occasion you borrowed the sum of 75,000 *l.*, the amount of receipts from the emigration fund not amounting to more than 20,000 *l.*?—The receipts for that year; but there was a large balance from the preceding year, of the emigration fund. In the beginning of 1840 there was a large balance which had been realized in 1839.

124. Did you consider that you complied with the proviso of the Act, which requires that at the close of every year the amount advanced from the emigration fund, together with the debt due to the emigration fund at the commencement of the year, shall not exceed one-third of the amount which may have accrued to the emigration fund in the course of such year?—At the end of 1839, as the sales of land in that year had been 160,000 *l.*, and as the debt borrowed in that year had been

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been only 30,000*l.*, the Act was not violated. Then the next time of adjusting the account would be at the end of 1840; it was then violated, but it was violated by necessity, because loans could not be raised to balance the account.

125. *Chairman.*] You think "the amount accruing to the emigration fund" at the close of any year, includes the balance carried over to the emigration fund at the close of the preceding year, and is not limited to the amount of land sales occurring in that year?—It is limited to the land sales in the year; but you are not called upon to adjust the account till the end of the year.

126. Do you conceive that "the amount accruing to the emigration fund" in the year, included not only the receipts from land sales in the course of the year, but the balance, whatever it may have been, carried over from the preceding year to the emigration fund?—The words of the proviso are, that at the end of the year the money borrowed from the emigration fund shall not exceed one-third of the receipts of the year.

127. According to your interpretation of that provision, do you conceive the amount accruing to the emigration fund in the course of any year includes not only the actual receipts on account of land sales during the year, but the balance carried over from the preceding year to the account of the emigration fund in the succeeding year?—I think, strictly interpreting the words of the Act, the balance carried over from the preceding year might be included up to the end of the year.

128. This is the only limit which you conceive to be placed upon the power of borrowing?—Yes; suppose there were no land sales, and there was no balance accruing from the previous year, then we could not borrow, but it would be a limit assigned by the circumstances.

129. Supposing you had exercised the full power given you by this Act in the year 1839, and that there had been a balance at the end of that year of 20,000*l.* carried to the account for the year 1840, and no other receipts, you think that you might still have borrowed 20,000*l.*, provided that at the end of the year you replaced two-thirds of it?—I think the letter of the Act would prevent it; it is not conformable to the spirit of the Act.

130. You would have included that 20,000*l.* twice over; first as having accrued to the emigration fund of 1839, and then as having again accrued to the emigration fund of 1840, by being carried over as a balance from 1839 to 1840?—What the Act forbids is the having borrowed at the end of the year more than one-third of the emigration fund during that year, but it does not do more than that; it does not tell us not to take any portion of the balance of the former year.

131. Lord *Stanley.*] Do not you conceive that the object of that proviso was to require security that, of the gross amount of money accruing to the emigration fund in each year, two-thirds should be left available for that legitimate purpose, and subject to no incumbrance?—Probably that may have been the intention of the framers of the Act, but I am stating what the Act is.

132. Supposing that to have been the intention of the Act, what security for carrying that intention into effect would there be, supposing there were an unlimited power of borrowing in the course of the year, upon the mere chance of having the Act complied with at the close of it?—There is not an unlimited power of borrowing, because you must have an emigration fund to borrow from, and the limit is the extent of the emigration fund. I think that under the Act, as I stated before, if at the beginning of 1840 we had borrowed from the emigration fund 100,000*l.*, and raised a revenue loan and repaid the emigration fund, we could have taken that from the emigration fund again.

133. And according to your construction you might have repeated that operation *toties quoties*, and raised a loan to any extent to which you could find persons willing to advance?—I think there is nothing in the Act to prevent it.

134. What security would there then be for your having two-thirds of the emigration money available for the purposes of emigration in the course of that year?—The Act would have compelled you to do that, if you complied with the Act.

135. Mr. *Ward.*] Do you borrow upon an estimate of the possible land sales in the year?—No; upon the actual.

136 Upon the actual amount of the emigration fund at any particular period?—Yes.

137. Mr. *Hope.*] What was the year in which you borrowed the 75,000*l.*?—That was in the year 1840; but I stated that amount in rough. I can state it accurately. In January 1840 we had borrowed 36,000*l.* from the emigration fund;

fund; and in January 1841 we had borrowed 97,000 *l.*; deducting one from the other, that will show what we borrowed in 1840.

138. *Chairman.*] Are the Committee to understand that the opinion which you have expressed as to the construction of this proviso, you state as your own individual opinion, not as an opinion which you know to be concurred in by your present colleagues?—I think they concur in it.

139. Do not you think it is at variance with the sentence which has been read from the letter of the 26th of August?—Certainly.

140. You, of course, holding this opinion of the construction of that proviso, would have objected to put your signature to a letter containing that sentence; do you think that your colleagues would have done the same?—When that letter was written I was absent, but when I saw it I pointed that out as being contrary to the intention of the Act of Parliament, and I thought it was to be omitted.

141. Is the construction which you have put upon this proviso one in which you and your colleagues concurred, or do you merely state it as your own opinion of the construction of the Act of Parliament?—I believe that we read the Act of Parliament together, and we thought the second Act allowed additional loans without trenching upon the 200,000 *l.* authorized by the first Act.

142. Lord *Stanley.*] Can you state under whose directions the second Act was prepared?—Under the directions of the commissioners.

143. *Chairman.*] It was brought in by Mr. Hutt, as one of the commissioners?—Yes.

144. Lord *Eliot.*] Do you think these words bear the interpretation which you put upon them: "shall not at the close of any such year exceed one-third of the amount which may have accrued to the said emigration fund in the course of such year:" do you think that applies to the balance of the former year?—It does not, certainly; it has nothing to do with the balance of the former year.

145. You stated that you have upon one occasion so dealt with the balance of a former year?—Not at the end of the year; in the course of the year.

146. Mr. *Hope.*] In what year was it that you received 168,000 *l.* for the land?—In 1839.

147. At the close of 1839 you had 161,000 *l.* in that fund?—We had spent some of it in the course of the year.

148. Lord *Mahon.*] In your letter of the 23d of September you express confident expectation as to the successful issue of the experiment. Did you then concur in these words which appear in the letter of the 26th of August: "It devolves on us to exhibit the colony in a state of crisis, and to show the probable defeat of that experiment of self-support"?—With certain limitations, if no assistance was given. Of course, when you are applying to Government for aid, you are, to a certain extent, abandoning the principle of self-support upon which the colony was founded.

149. *Chairman.*] You conceive that it was only temporary assistance that was wanted, and that by the addition of those 500,000 acres to the colony it would right itself again?—Certainly.

150. Lord *Stanley.*] Upon what ground did you recommend the addition of 500,000 acres to the existing colony with a view of extricating the colony from its difficulties?—Because a little before that was written we had received accounts of exploring parties that had gone along the western coast of the colony from the head of St. Vincent's Gulf to the western limits of the colony; they had made some explorations north, and came back reporting that all that portion of land was sterile and could not be sold at any fair price; and the only land that we positively knew to be very good, was that land of which a great portion had been bought, lying between Gulf St. Vincent and the lake and the river.

150. Are the Committee to understand, that so far as you are informed, the whole of the available and fertile land within the colony is already occupied, and that the remainder is barren land?—That would be saying too much; but, as far as it has been explored, a great portion of the north-west part of the colony is barren.

152. Can you state what proportion of the colony has been explored, and what proportion is occupied?—I suppose the occupied part of the colony may be about 3,000,000 of acres; a great part of the coast is hilly bad land.

153. Can you state how much has been explored, which comes under the

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character of what you denominate waste and barren land?—The whole of the sea-coast has been nearly explored, and about 40 miles north.

154. *Chairman.*] Will you proceed with your statement with respect to the financial state of the colony?—The Acts of Parliament, according to my construction, thus authorizing the raising of sums to the amount of 267,000 *l.*, that would leave 176,000 *l.*, after discharging the liabilities now outstanding of 91,000 *l.*, besides the debt to the emigration fund of 97,000 *l.* It will appear, therefore, that if the provisions of the Acts of Parliament were even now carried into effect, the colony of South Australia would possess, after discharging the whole of its liabilities, available resources to the amount of 176,000 *l.* applicable to emigration and to the expenses of the local government. But it is not necessary that the provisions of the existing Acts with respect to the raising of loans should be carried into full effect. A loan of 91,773 *l.* would be sufficient to discharge the whole of the liabilities of the colony, including 20,000 *l.* for the unauthorized drafts which may not yet have reached this country; while another loan of 97,840 *l.* would repay the debt to the emigration fund, and place in the hands of the commissioners for emigration purposes a clear fund to the amount of 97,840 *l.* But though this sum should be ultimately paid to the purchasers of land in the form of labour, yet as the whole sum could not be immediately employed in emigration, the whole sum need not be immediately raised; a loan of 150,000 *l.* at the present time would discharge the existing liabilities, and leave in the hands of the commissioners 52,000 *l.* for continuing emigration. With the permission of the Committee, I will state what in my view would be the remedies now to be applied. Up to the 1st of January 1840, the experiment of colonizing South Australia upon the self-supporting principle was completely successful. The causes which subsequently suspended the prosperity of the province are as follows:—1st, The falling off of the land sales in consequence of the new excitement attracting emigration capitalists to Port Phillip and to New Zealand. 2d, The large amount of the unauthorized expenditure incurred by the local government. The Committee will see that it was the concurrence of these two causes which led to the financial crisis. The absence of either would have averted the calamity. Had the land sales in 1840 yielded the sum of 160,000 *l.* as they did in 1839, or had the local expenditure in 1840 not exceeded the amount authorized by the commissioners, then in either case the calamity, the unknown extent of which I contemplate with apprehension, could not have occurred. In considering the remedies which might have been or which may even yet be applied, the Committee will see by a reference to the accounts that, at any time up to the actual return of the bills presented for acceptance, a loan to the extent of 90,000 *l.* would have enabled the commissioners to sustain the credit of the colony by discharging in full all its immediate engagements. It will also be seen by a reference to the accounts that a further loan of 97,000 *l.* would have replaced the sums borrowed from the emigration fund, and have enabled the commissioners to keep faith with the purchasers of land, by sending out labourers in conformity with the provisions of the Act. Up to the period of the sailing of the first ship which conveyed to the colony a dishonoured draft, a loan to the amount of 210,000 *l.* as authorized by the Acts of Parliament, and as I ventured to recommend in the letter addressed to the Colonial-office on the 23d of September, and in the memorandum forwarded to the Chancellor of the Exchequer on the 2d of November, would not only have averted all the as yet unknown consequences of dishonouring the governor's drafts, but would have sustained the progress of the colony by continuous emigration. To arrest the progress of mischief and to restore that of prosperity, an advance of not less than 210,000 *l.* would now be required. Parliament might make this advance either as a free gift to the colony or as a loan to be repaid out of the proceeds of the future land sales. With respect to the question whether it would be expedient to meet the financial difficulties of the colony of South Australia by an advance in the way of loan, I would beg permission to submit the following observations for the consideration of the Committee: The experiment of establishing a self-supporting colony in South Australia proceeded from the first upon the principle of anticipating by colonization loans the value which colonization confers upon the waste lands of a new country. Now it will be obvious to those who are familiar with the Wakefield principles of colonization, that colonization or emigration loans, although classed under the general name of colonial debts, have little in common with those debts which are raised for defraying the ordinary expenses of government. Wild land of a quality capable

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of yielding a surplus produce more than sufficient to give the cultivator the ordinary rate of profit obtainable in this country, acquires marketable value on the approach of an industrious population. Hence it is that a colonization loan expended in planting an industrious population upon wild land, creates a value sufficient to repay itself. An ordinary loan, chargeable upon the ordinary revenues of a colony, must be paid out of the wages and profits of the colonists, and thus become a burden impeding their progress. But an emigration loan chargeable upon that creation of value of which it is itself the cause, leaves wages and profits untouched, and instead of impeding, accelerates advance. An ordinary loan, chargeable upon the industry of a new country, cannot be paid off except by means of oppressive taxation; while a loan, chargeable upon the marketable value which inflowing population confers upon the waste, may be paid off without any pressure upon industry whatever. It is evident, that should Parliament decide upon advancing to South Australia, Exchequer bills to the amount of the further loans of 267,000*l.*, the raising of which is authorized by the South Australian Acts, and that if these Exchequer bills should be paid off by the appropriation for that purpose of a portion of the price of the next 500,000 acres of public land, sold at 1*l.* per acre, it is clear that no burthen retarding the progress of the colony could be entailed by the operation; but that on the contrary there would remain, after the outstanding liabilities, amounting at present to 91,000*l.*, had been all discharged, an emigration fund of 176,000*l.* in the hands of the commissioners, which fund would be sufficient to convey 8,800 adult labourers to the colony. But this would not be all: the proceeds of the sale of 500,000 acres of land, after paying off the Exchequer bills to the amount of 267,000*l.*, would leave, with a small deduction for the interest of the Exchequer bills, a further emigration fund of 233,000*l.*, capable of conveying about 11,650 adults to the colony. The result of the whole operation would be, the satisfaction of all existing liabilities, the complete liquidation of the debt created by the advance of the Exchequer bills, and an extent of emigration raising the population of the province from 15,000 to 35,450 souls. The objection which has sometimes been urged against colonization loans borrowed upon the security of the value their expenditure is to create, and to be paid as that value is realized, proceeds, as it appears to me, from a misapprehension of their nature and of their effects. It is evident that an advance of Exchequer bills to the amount of 267,000 *l.* could be repaid without entailing any burthen upon the industry of the province, provided the proceeds of the land sales should in the next four or five years amount to 500,000*l.*; but the question is, will the land sales, in the next three or four years, produce this amount? And this question is resolvable into another, namely; is there within the present limits of the province of South Australia 500,000 acres of well situated and as yet unappropriated land, of that quality which in the districts of Adelaide and Port Phillip has been sold to the public at 1*l.* per acre? Had the southern coast of New Holland been sufficiently explored before the limits of South Australia were fixed by Act of Parliament, and had the colony, instead of embracing a vast tract of unavailable territory to the north and west, extended from Gulf St. Vincent eastward to the sea, no question could have been raised as to the sufficiency of the security which the proceeds of the land sales would have supplied for the repayment of an advance, far exceeding that which is now proposed. It is perhaps not yet too late to rectify the error which was committed in fixing the boundaries of South Australia. By extending the eastern boundary of the province from the 141st to the 142d meridian of east longitude, available land would be obtained amply sufficient to provide for the repayment of the proposed advance of 267,000*l.*, and to secure the redemption of the pledge given to Parliament, that the establishment of the colony of South Australia should not entail a burthen upon the public purse. Should Parliament deem it inexpedient to guarantee a South Australian loan on the security of the proceeds of the future land sales, it may become necessary to make the requisite advance, not as a loan, but as a gratuity; but, in whatever way Parliament may decide upon meeting the financial difficulties which have arisen under the existing system, it would seem that that system should become remodelled. The opinions which I now venture to express to the Committee are not new opinions, taken up for the occasion, but were, to a certain extent, deliberately formed even before the anomalous and incongruous provisions of the South Australian Act had begun to produce their anticipated effects. In confirmation of this, I would beg to refer the Committee to the letter I addressed to

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Lord Glenelg on the 17th of August 1836, and also to the memorandum on divided authority submitted to his Lordship on the 22d of December 1837; and, if the experience which I have had of the working of the system should be deemed sufficient to qualify me for offering a suggestion as to the principles upon which it ought now to be remodelled, I would say that the raising, the custody, and the application of the revenue funds should be withdrawn from the Colonization Commissioners, and placed, as is the case with other Crown colonies, in the hands of the Lords of the Treasury; and that the clause in the Act, requiring that the gross proceeds of the land sales shall be applied, without deduction, to emigration, should be repealed. The expediency of placing the finances of the colony under the control of the Treasury is too obvious to require comment; but, as the employment of the whole of the land fund, without deduction, in the conveyance of labour to the colony, has been regarded by many as the cardinal principle upon which the colony has been established, I would beg permission briefly to explain the grounds upon which I would venture to recommend that Parliament should now authorize some relaxation of the rule. In a new country, abounding in unoccupied land, labour is the one thing needful; now, as regards the rapidity of progress and the amount of production, encouraging labour has the same effect as increasing its quantity; it is the same thing, as regards the quantity of work to be performed in a new country, whether there be an immigration of 200 labourers, or an immigration of 100 so aided as to be able to execute the work which would otherwise require the labour of 200; and it would be much more advantageous to the employers to obtain the services of 100 so aided as to have the efficiency of 300, than to obtain the services of 200 not so aided; roads, bridges and wharves, by diminishing the difficulty of carriage, may enable one man to execute a greater quantity of work than that which could otherwise be executed by many. As regards the real efficiency of the supply of labour, it might prove more advantageous to a new colony to employ 2,000 *l.* of the land fund in constructing a landing-place and a road, than in conveying 100 adults of the labouring class; and again, it might be expended, even as regards the numerical amount of the supply of labour in a new country, that, in the event of a casual deficiency of employment tempting re-emigration, a portion of the land fund should be applied to paying wages to resident labourers engaged on public works, rather than to the introduction of additional hands. Upon the several grounds which I have now ventured to submit for the consideration of the Committee, I entertain the opinion, not hastily formed to accord with the occasion, that the provisions of the South Australian Act should be remodelled.

155. Are the Committee to understand that you attribute the present financial difficulties of the colony to the diversion of the stream of emigration from Australia to other colonies, and to the excessive amount of drafts drawn by the resident commissioner?—Yes.

156. And the remedy you propose, would be an advance by Parliament to the amount of 210,000*l.*, for which you think security might be given, provided 500,000 acres were added by Act of Parliament to the colony?—Yes: I think there would be security enough without that; but to make the security doubly sure, and to render it impossible the Government should have anything to pay ultimately, I would give that extension of territory.

157. If there be any doubt entertained as to the security, you think it would be necessary for Parliament to make a grant to that amount; and you would, in addition to that, recommend the remodelling of the financial system, so as to give the Treasury the same control over the finances of South Australia which it exercises over those of the Crown colonies generally; and you would further recommend a modification of the principle embodied in the South Australia Act, as to the application of the gross proceeds of the land sales to emigration?—Yes.

158. Mr. *Raikes Currie.*] Do not you consider that it was the duty of the commissioners early in the year 1840, before the unauthorized and extravagant expenditure of Colonel Gawler had happened, to negotiate a loan under the Act of Parliament, to defray the debt due to the emigration fund, and to provide for the ordinary expenses of the colonial government?—Yes.

159. Why was it not done?—Perhaps it would be fair to ask my colleagues why it was not done.

160. The present commission was instituted in January 1840?—Yes.

161. Mr *Parker.*] You attempted a loan in July, did you not?—Yes.

162. Mr. *Vernon Smith.*] Did you state in the report which you wrote on the 8th of

8th of January 1840, at the close of the former commission, that you considered a loan necessary?—Yes, I think so.

163. Can you point out the passage?—"The loans from the emigration fund, amounting to 31,596*l.*, must under the provisions of the Act be replaced by the issue of an additional amount of colonial revenue securities, in order that the whole of the proceeds of the land sales may be applied to the conveyance of labour to the colony." However we might work those funds backwards and forwards, still at the end of each year we must under the Act have applied two-thirds to emigration, but in the meantime we might have borrowed it. "It would be superfluous and perhaps improper to enter in this place upon an explanation of the measures which, had our functions continued, we should have felt it our duty to adopt in order to place the finances of the province upon a stable foundation, by providing for the payment of the interest and ultimately of the principal of the debt of 123,396*l.* which has been incurred in planting the colony, and in providing for its government for a period of three years." It was frequently discussed at the other Board, and arrangements were made for raising it.

164. Is it contained in any report you have submitted to Parliament?—No otherwise than in the passage I have just read, that the loans from the emigration fund should be replaced by the issue of additional revenue securities.

165. That report of January 1840 was not delivered till July?—No.

166. What was the reason of that?—It was not got ready; it was dated the 8th of January, because being signed by the former commissioners, it was necessary to date it then; it was a history of their proceedings for the year, and therefore it was dated before they were out of office.

167. *Chairman.*] Was it signed by them before they were out of office?—It was signed by them after they were out of office.

168. Then the report, although it bears date the 8th of January 1840, was practically sent to the Colonial-office in July 1840, having been only then signed by the commisioners?—Yes.

169. Lord *Mahon.*] On what day was it actually signed by the commissioners?—It was signed on different days; it was sent round to them.

170. In the month of July?—Yes.

171. And sent in on the 20th of July?—Yes.

172. It was sent in subsequent to the letter of yourself and the other commissioners stating the financial difficulties of the colony?—Yes: I beg to explain to the Committee that that report was a history of the colony during the year 1839, and though it was dated in 1840 it would have been impossible to have alluded in that report to any transaction of 1840, because those were transactions in which the commissioners who were out of office had nothing to do.

173. When you state the commissioners who were out of office had nothing to do with the transactions in 1840, you mean that they had no knowledge of them, and could not report them to Government; but is not it stated in that letter of the 26th of August, that the whole of the letters from the resident commissioner had been addressed to the former Board, and that the new commissioners were in no degree responsible for the events which occasioned these difficulties, because at the time they occurred the change of commissioners was not known in the colony?—That refers to the crisis; that letter refers to the drafts of the resident commissioners, which were not at all known in this country in January 1840, the date of the report.

174. The diversion of the stream of emigration from South Australia to other colonies, and the excessive amount of drafts drawn by the resident commissioner, are causes that were in operation during the administration of the former commission?—Yes; but the drafts were not known here, because they had not arrived. The falling off in the land sales in this country is particularly specified in the report.

175. Lord *Stanley.*] Those over-drawings from the colony were the acts of officers acting under the authority of the earlier and not of the later commission?—Yes; but in giving a history of what was known in this country, those things could not be noticed.

176. *Chairman.*] The former commissioners are of course exonerated from any responsibility as to any measures that would have been taken upon the knowledge of those facts coming here?—Exactly; at the date of the report they could not have been cognizant of them.

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177. Viscount *Mahon.*] Do you know the precise time when the change of the commission became known in the colony?—I think in June.

178. Lord *Eliot.*] Will you turn your attention to the statement read by Colonel Gawler, in the proceedings of the South Australian Council, on the 3d of April 1840, in page 127 of the printed Papers, which contains the following passage: "By the accompanying very carefully compiled statement of receipts and expenditure, it appears that the actual expenses of the government for salaries, judicature, police, customs, and a variety of incidental expenses, has been 550*l.* 19*s.* 10*d.*; while those of the land and survey departments, which form no essential part of the government, of the immigration department, of which new colonists are the direct objects, and of public works, horse and cart hire, and so forth, which flow directly into private purses, amount to 29,140*l.* 15*s.* 11*d.*" Do you conceive that, with a due regard to the well-being of the colony, any large proportion of that expenditure could have been dispensed with?—I think so; I think that Colonel Gawler adopted a system of survey entirely different from that which he was directed to adopt. We had consulted with the ordnance officers who are charged with the Government survey of the country, and we had formed a plan of a running survey which would be very cheap, and he went to the expense of a trigonometrical survey; but that is fully explained in the report of Captain Dawson, recently given in to Lord John Russell, upon New Zealand. Captain Dawson drew out a plan for us, and we directed that plan to be executed; it was not executed, and therefore the expense was much heavier. With respect to those public works, they of course very essentially tend to the prosperity of a country; but the question is whether there are funds to pay for them when they are executed.

179. Did not a considerable part of this difficulty arise from the circumstance of no preliminary survey having been made?—Yes; a great deal of the difficulty of the colony arises from no preliminary survey having been made; but it was impossible to make a preliminary survey, because the Act required you to sell in this country 35,000*l.* worth of land before you could engage a surveyor, or even do anything; and many persons rushed out there before the surveyor could get there.

180. *Chairman.*] Who brought in the original Act?—Mr. Whitmore.

181. Lord *Howick.*] Did not the parties with whom the scheme originated cause that Act to be introduced?—Yes; but there were many things put in which the projectors would have been glad to have kept out of it.

182. Lord *Eliot.*] Will you turn your attention to a letter written by the South Australian Commissioners, dated South Australia Colonization Office, Adelphi-terrace, 2d December 1838. It is in the fourth report, page 17; the second paragraph in that letter says, "The objects to be obtained are to expedite the surveys, and to place the purchasers of land upon their locations with the least possible delay; and the commissioners have only to request that the arrangements which you may make for their attainment may be regarded only as provisional and temporary, so that it may be left open to the Board, when fuller information shall be received, to determine upon what scale the surveying staff shall be permanently established. The commissioners hereby authorize you to incur any additional expense on account of the survey which you may deem essential, whether it be in increasing the strength of the surveying staff from the neighbouring colonies, or in contracting with private surveyors for the rapid execution of any given quantity of work." Do not you conceive that that contains a sufficient authority to Colonel Gawler for the increased expense which he incurred upon that head?—Yes, up to the time at which he received the permanent regulations of the commissioners; in the intermediate time he was to use his discretion.

183. *Chairman.*] Do you mean that subsequently to the date of that letter you addressed instructions to him, which limited his authority as to the expenditure he was to incur on that account?—Subsequently to that letter we remodelled the surveying staff altogether. We had arranged that a body of sappers and miners, with a lieutenant of the engineers, should carry on this running survey.

184. Did you, subsequently to the 2d December 1838, address supplementary instructions to Colonel Gawler modifying those former instructions, and limiting his authority as to the amount he might draw on account of surveys?—We gave him fresh instructions directing him to discharge the temporary surveyors he might have engaged, and his former instructions to limit the surveying staff to Lieut. Frome and the sappers and miners.

185. Under

185. Under what date?—I cannot give the date now.

186. Can you furnish those supplementary instructions to the Committee?—Certainly.

187. Captain *A'Court.*] You remonstrated with Colonel Gawler upon his great expenditure?—Certainly.

188. How did he justify it?—We have not heard from him since.

189. Lord *Eliot.*] Were you not under positive engagements to many emigrants to put them in possession of complete surveys of their purchases?—There is no doubt that we were, and Colonel Gawler is entitled to all the justification he can derive from the wording of that letter: whether it was judicious of him or not to exercise his discretion in the way he did, he had, till he got fresh instructions, a full right to use his discretion.

190. Do not you think that, in the particular circumstances of that colony, as stated by Colonel Gawler himself, a large and efficient police force was necessary to the wellbeing of the colony?—Yes; but why should not a colony mustering 15,000 souls be called upon to defend themselves?

191. Do you imagine that there is any considerable number of those persons who are in a situation to undertake those duties without remuneration?—I think necessity would have compelled them. The British colonists who went to North America, having Indians to contend with, who were a much more warlike race, required none of this fund for police armies; they defended themselves.

192. Mr. *Raikes Currie.*] Have not these colonists also to defend themselves against a large number of runaway convicts from penal settlements?—They have.

193. Lord *Mahon.*] Is that the case in South Australia?—A good many convicts have come from the other colonies to South Australia.

194. Mr. *Gladstone.*] Can you state when Colonel Gawler received those despatches with respect to the surveying department?—I can furnish them at the next meeting; they are in the third annual report, not the despatch to him, but the instructions to the surveyor-general, who was to execute the surveys independently of him.

195. The question refers to the despatch qualifying that from which an extract has been read, dated the 2d of December 1838?—They were instructions to the surveyor-general through Colonel Gawler.

196. Mr. *Sotheron.*] Was there not a despatch to Colonel Gawler limiting his discretion?—The letter of itself limits his discretion till a permanent arrangement was made by the commissioners, and that permanent arrangement was sent out to Colonel Gawler.

197. Lord *Eliot.*] What was the amount of the fund over which you conceive that Colonel Gawler, properly speaking, had control?—I think about 20,000 *l.*, upon which Colonel Gawler was authorized to draw.

198. Mr. *Raikes Currie.*] Over and above the colonial revenue?—Yes, which of itself was 20,000 *l.*

199. Have you a memorandum of the net colonial revenue for the last quarter?—Not officially, but we have a statement showing that it had risen to nearly 30,000 *l.* per annum.

200. Lord *Eliot.*] Your attention is requested to the following paragraphs in the Journal of Proceedings of the Council, of Friday the 3d of April 1840, at page 130 of the printed Papers: "From this view, however, I think the members of council will have seen that every step in excess beyond the directly authorized limit has proceeded from imperative necessity. It has been from imperative necessity that public buildings have been erected, and public works constructed; that the number of public offices, and the salaries of many, have been increased; that the aborigines have been supported, and expenses incurred towards their improvement; that the police force has been increased and maintained in efficiency; that the customs and harbour departments have been supported as they are; that great expenses have been incurred in the immigration and colonial storekeeper's departments; and lastly, that the survey department has been increased to the highest possible state of working power and efficiency, although the risk and expense of such a proceeding, in the passing state of the colony and its territory, has been immense. I am sure that the members of the council will recognize without demonstration, how utterly inexpedient and dangerous it would have been to have held the affairs of the province in stagnation for a twelvemonth, until a statement of our necessities and difficulties had been forwarded to England, and answers received in reply." "I foresaw distinctly, what any other man acquainted

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with public business and the machinery necessary for transacting it properly would have foreseen, that in the state of the public departments and of the colony, efforts made on a large scale for extensive public objects, must involve the risk of considerable irregularities. But this danger would not have been a sufficient reason for limiting the police force, and thereby allowing the town to be overrun with depredators, and the country with bush-rangers; or for keeping the survey at a low establishment, and thereby forfeiting the pledges of the commissioners, and preventing land purchasers from entering upon their sections for ruinous and incalculable periods; or for checking other public efforts, withot her similar certain evil consequences. I saw the risk of irregularities, and encountered it. I have no objection to state that they have occurred; but in almost all cases it has been from the Government that the first information concerning them has proceeded. I feel it right, however, at the same time to state distinctly that they have been small in proportion to the benefits effected, and of the kind which every intelligent man may conceive. It would have been strange indeed if the province had passed from what it was 16 months ago to what it is now, without them, or evils equivalent to them. I apprehend that in thus taking notice of such circumstances, more weight is given to them than they deserve: they are only mentioned from the conviction that full veracity of statement is as essential to political as it is to private propriety and prosperity." Do you concur in or dissent from the view there laid down, as to the propriety and expediency of the conduct, under those circumstances, pursued by Colonel Gawler?—I should concur, in a very great measure, in the propriety and expediency of that course, provided there could have been funds to meet it. Though it would be a very great evil to the colony not to have done those things which Colonel Gawler has done, yet a greater difficuly has been created in the colony by his doing them without having funds to support the execution, which has produced this crisis; because the evil and horrible distress which will come upon the colony, when its credit is destroyed by the return of those bills, will be an evil far greater than any that could have been inflicted upon the colony by the nonperformance of those things, good as I admit them to be.

201. Admitting the importance of those objects, would it not have been easy for the commissioners to avoid the crisis which has arisen, by means of a loan contracted in the early part of the year 1840?—Yes, I think so; I think that if the commissioners had contracted a loan, as in my opinion they ought to have done, in March or April or May, or even the beginning of June, none of these difficulties would have occurred.

202. Mr. *Raikes Currie.*] Might not Colonel Gawler have reasonably expected that you would contract a loan, and have counted thereupon?—I suppose he reasoned in that way.

203. *Chairman.*] The first statement of the financial difficulties of the colony made by the commissioners to the Secretary of State, was made on the 2d of July 1840; how soon in that year did they receive information of those excessive drafts which would have authorized them to go into the market to raise a loan?—I have got the dates of the bills as they arrived during the whole of the year. I have not the least hesitation in pronouncing my opinion, that none of these difficulties could have arisen if the commissioners had early in the year raised a loan, as they could have done under the Act, in the then credit of the colony.

204. Mr. *Raikes Currie.*] What do you mean, by early in the year?—In February, March, April or May, or even in June.

205. Mr. *Vernon Smith.*] Do you mean, before they had received any of those drafts?—When they were beginning to receive them.

206. Mr. *Ward.*] Were the drafts preceded by any application to the commissioners, stating what his intentions were, and stating the amount which he was about to draw?—No; if he had given the commissioners timely explanation, the case would have been different, but he never gave us any explanation upon the subject. The bills came without any explanation, and we thought at first when they came, as he had authority to draw in case of destitution, that there had been a famine which caused them. In several of his despatches Colonel Gawler stated that his authorized expenditure was insufficient, and we should have been prepared for a moderate excess, drawn upon his own responsibility.

207. Do you mean that there were no despatches from Colonel Gawler, stating the necessities of the colony, and the view he took as to the mode of meeting them?—The minute which has been just read is the first exposition we received of it.

208. That is addressed to the council in the colony?—Yes, but it was forwarded to us.

209. Mr. *Raikes Currie.*] When did the first drafts excessive in amount appear?—I find I have not brought the papers containing the dates of all the drafts.

210. *Chairman.*] Will you refer to the letter of the 7th of July 1840, at page 84 of the Papers; in that letter you, in common with your colleagues, state to the Secretary of State, so far as your information enabled you to do so, the existing financial difficulties of the colony, but which at that time were not known to be at all equal to what they have since turned out to be: you state, at page 86, the measures which have occurred to you as requisite or expedient, under these circumstances; and after adverting to the power given you to raise loans by existing Acts of Parliament, you say, "to keep up the expected, and, in the actual circumstances of the colony, the necessary stream of emigration, and at the same time to provide for the authorized expenditure of the local government, a revenue loan to the amount of 120,000 *l.* will be required:" you further state, by the measure just stated, "provision will be made for our present wants, but we should offer a very inadequate report on this occasion if we did not further consider what means appear available for guarding against a recurrence of similar difficulties;" do you mean to state that a loan of 120,000 *l.* might have been then negotiated, and that if it had then been negotiated, the financial difficulties of the colony would not have been what they now are?—I think that even then it might have been negotiated; but a little after that the panic in the money market occurred, and then it could not have been done.

211. You believe that if a loan of 120,000 *l.*, which you then imagined to be sufficient, had been negotiated, the financial difficulties of the colony, which are now to an extent requiring an advance from Parliament of between 200,000 *l.* and 300,000 *l.*, would have been avoided?—I urged my colleagues to negotiate a loan. When the large drafts came from Colonel Gawler, we found that a loan of 60,000 *l.* would not be sufficient, and that a loan of 120,000 *l.* would be necessary; then my colleagues thought it necessary to get the sanction of the Chancellor of the Exchequer for raising this larger loan; I stated that I thought it would be inexpedient to ask the permission of the Chancellor of the Exchequer to obey an Act of Parliament; and it was the delay caused by preparing our financial statement for the Government, and by waiting for the Chancellor of the Exchequer's sanction, which prevented our getting the loan. I am in the habit of watching the money market, and I thought from the state of banking in this country, that panics would be periodical, and I wished the loan to be raised before the financial statement went in, and not to wait for the authority of the Chancellor of the Exchequer, knowing that he could give us no answer but, "Obey the Act of Parliament."

212. Your colleagues differed from you upon that point?—They did.

213. Will you now turn to page 93, to a paragraph in the letter of the 26th August 1840, which is also upon the subject of the financial difficulties of the colony, and where you say, "Within a few days the Parliamentary Report from the late Board will appear for the year 1839, representing that during that period the state of the colony continued flourishing, and as far as we could ourselves supply any information of a statistical nature, it would relate to periods when all the unfavourable elements in the finance of the colony would not be apparent; in every official source of intelligence accessible to the public, there is nothing to excite the alarm of capitalists; there is much to attract their confidence; how then," you add, "would it be possible, under such circumstances, to take a loan of 120,000 *l.* by private contract without explanation, but with the full knowledge that we were on the eve of a severe shock to the credit of the colony, which must immediately and severely depreciate the marketable value of the new securities? The act is one which we are well convinced no government would require of us, or knowingly permit; we need hardly add that it is one which we can never perform." How soon had you arrived at the opinion stated in the passage just read, which is in direct opposition to the opinion you entertained a month before, that a loan of 120,000 *l.* might have been negotiated, and the negotiation of which you urged upon your colleagues?—After the loan was advertised for, and I thought the thing was concluded, I was very unwell, and I went abroad; and when the letter of the 26th of August was written I was not in England; and when the thing became so alarming that we could not without dishonour go to private individuals to ask them for money, I cannot say.

214. Having concurred in the letter expressing that opinion, do you mean the

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Committee now to understand that you still regret that you did not in July, the month preceding the date of that letter, go into the market to do what you were convinced no government would require of you, or knowingly permit, and which in August you felt you could not perform?—Though it would have been very wrong to go to a private individual, who was then in negotiation for a loan, to deceive him as to the state of the colony upon which he was giving his money, yet there was no dishonour in taking a loan from the public before the crisis was known, and if it had been taken in time the crisis would not have occurred.

215. Mr. *Ward.*] When you say that the crisis would not have occurred, do you mean that the commissioners were prepared so far to sanction all Colonel Gawler's expenses, as to include them in the amount of the loan, and to make provision for the whole of them?—Yes, I think so.

216. Lord *Stanley.*] What is the lowest rate of interest at which you have ever borrowed money?—We never borrowed any, except the first 80,000 *l.*, and that was at 10 per cent. We converted a part of the 10 per cent. bonds into annuities, bearing interest at 6 ½ per cent.; but those annuities were taken at 85, and they have ultimately to be paid off at 100. The present current interest is about 6 ½.

217. Annuities at 6 for 85 *l.*, nominally 100 *l.*?—Yes.

218. The dividend being 6 upon the 85 *l.*?—Yes.

219. Mr. *Vernon Smith.*] In the letter of the 7th July, you state, in conjunction with your colleagues, speaking of the first notice you had of the incoming drafts from Colonel Gawler, "We need not say with how much regret and embarrassment we perceived the constantly increasing amount of these demands, unaccompained, we are sorry to state, by any clear explanation of their causes, or by the least indication what was to be their limit. But holding in our hands very large funds, applicable, by virtue of express provisions in the South Australia Act, to general purposes, it would have been impossible for us to expose the credit of the colony to the ruincus shock which must have attended the dishonour of Colonel Gawler's bills. We found that it had been the practice to pay them out of the surplus of the emigration fund, and we continued that practice." Do you consider that statement consistent with what you have just now stated, of your desire to raise a loan for their payment?—Certainly.

220. In this sentence do not you, in fact, state that you thought it better than raising a loan, to meet it out of other funds. You say, "We found that it had been the practice to pay them out of the surplus of the emigration fund, and we continued that practice"?—Yes; it does not say that we thought it better.

221. You continued it, then, against your judgment?—Yes. My judgment would have been to raise a loan in April. If the loan was not raised, it was inevitable either to dishonour the bills or to pay them out of the fund in hand.

222. Mr. *Ward.*] In that loan, you would have included a provision for all the expenses that Colonel Gawler had incurred?—Yes.

223. *Chairman.*] As those expenses now leave you in debt to the amount of 210,000*l.*, how do you consider that a loan of 120,000*l.*, which you think could have been negotiated, would have relieved you from all the difficulties; would not there still have been a deficiency of 90,000*l.*?—That amount of 210,000*l.* includes 97,000*l.* due to the emigration fund. The financial statement I have given in embraces that.

224. Then the whole extent of the liabilities in which you have been involved by Colonel Gawler's drafts would have been covered by 120,000 *l.*?—Yes, and there would have been a surplus. With the permission of the Committee, I will deliver in five papers. The first is a statement of the negotiations with the Government until the passing of the Act. The second is an account of the state of things from the passing of the Act to the gazetting of the first commission. The third is the proceedings from the gazetting of the commissioners till the departure of the first governor. The fourth is a statement of what occurred from the departure of Captain Hindmarsh to the appointment of Governor Gawler. And the fifth is the progress of the colony under Colonel Gawler in 1839.

[*The Witness delivered in the same.*]

Vide Appendix, (Paper, No. 3), pp. 151–169.

Martis, 2° die Martii, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Howick.
Mr. Raikes Currie.	Lord Mahon.
Lord Eliot.	Mr. Parker.
Lord Fitzalan.	Mr. Vernon Smith.
Mr. W. E. Gladstone.	Mr. Sotheron.
Sir George Grey, Bart.	Lord Stanley.
Mr. George Hope.	Mr. G. W. Wood.

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

Colonel *Robert Torrens*, called in; and further Examined.

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225. *Chairman.*] WILL you turn to page 122 of the printed Papers, where there is a copy of a letter from Lord John Russell to the South Australian Commissioners, directing them to propose terms for a new "loan of 120,000 *l.*, giving an assurance to the parties who may be disposed to contract for this loan that Her Majesty's Government will undertake to recommend to Parliament, that notwithstanding any new arrangements that may be made in regard to the government of the settlement of South Australia, or to the past or future proceedings of the commissioners, provision shall be made for the due fulfilment of the contract with the lenders, and of any stipulations under which the money may be advanced." What steps were taken by yourself and your colleagues in consequence of that letter from Lord John Russell?—On the very next day we advertised for a loan of 120,000 *l.*

226. Have you a copy of the advertisement?—I do not think I have a copy here.

227. Did it refer to the expressed intention of the Government to apply to Parliament for a guarantee of the loan?—Yes; we made it as public as possible; we sent it to all the bankers, and brokers, and insurance offices.

228. Did you receive any tenders in consequence of this advertisement?—We received only one tender, and that was a conditional one, from one of the insurance companies, saying that they were precluded from tendering money except upon Parliamentary security; and saying that they did not consider that a promise to recommend it to Parliament was actual Parliamentary security, and therefore, though they were disposed to contract for the terms of the loan, they would not give the money till a Bill had passed Parliament, making it an actual Parliamentary security. As we wanted the money immediately, it was of no use to offer us money after Parliament met.

229. Was that the only tender you received at any time subsequent to issuing the advertisement?—The only one.

230. Captain *A'Court.*] They were uncertain whether Parliament would justify the loan?—They did not consider it a Parliamentary security.

231. *Chairman.*] In consequence of not succeeding in that attempt to raise a loan, what steps did you then take?—We then went to the Chancellor of the Exchequer, and stated the difficulty we were under. We had previously consulted in the city what were the proper means to be taken. One person recommended that the Chancellor of the Exchequer should advance Exchequer bills; that was impracticable, as illegal. Another person suggested going to the Bank of England, and the Chancellor of the Exchequer authorized us to communicate with the Bank of England upon getting a temporary advance till after Parliament met, and then the negotiation went on between the Bank of England and the Government itself; and what we were authorized to communicate was not exactly official.

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232. Did you ultimately succeed in obtaining a loan from the Bank of England?—No.

233. Did you report the failure of your attempt to raise this loan to the Secretary of State?—Yes.

234. When did you make the first report?—I have not the date here.

235. Did you make that report to the Secretary of State previously to your negotiation with the Bank of England, or subsequently to your entire failure?—Subsequently to our entire failure we addressed a letter, detailing the whole particularly, to the Secretary of State for the Colonies.

236. Captain *A'Court.*] You were understood to state that you had no personal communication with the Bank directors?—We had several personal interviews, but they were non-official; the Chancellor of the Exchequer authorized us to go and make a communication to the Bank.

237. What were the objections on the part of the Bank?—The Bank did not concur with the Chancellor of the Exchequer in the nature of the guarantee which the Government offered.

238. Lord *Stanley.*] In what way?—In the interview that we had with Sir John Rae Reid, the governor, he said that if a guarantee were given positively that the Government would pledge their responsibility that they would recommend the repayment, at a certain time, to the Bank, irrespective of any recommendation from a Committee, or without reference to the proceedings of any Committee, then he thought the finance committee of the Bank would give the money.

239. Mr. *Wood.*] Was not that done in the first Minute, of November the 3d?—Yes; but not in the letter that they had got from the Chancellor of the Exchequer.

240. Captain *A'Court.*] Did not you yourself consider that this letter from Lord John Russell to the South Australian Commissioners was a sufficient guarantee?—I thought so.

241. Mr. *Wood.*] Had you no tender from any parties in the city prior to the Treasury Minute?—None, except the tender I mentioned.

242. And you took every possible means to make it known that you wished to negotiate a loan upon those terms?—We did; I believe there were private parties connected with the South Australian Company who were at that time disposed to lend us the money, and another party offered to give us the money at 10 per cent. for a year; but then we were so certain of the Bank giving it, when the Chancellor of the Exchequer had recommended it, that we did not take it; and then, afterwards, when it was found that the Bank of England declined it, those persons who before seemed inclined to give it upon very exorbitant terms, altogether fell off when they found the Bank would not take it.

243. *Chairman.*] The ultimate refusal of the Bank injured the credit of the colony, and placed it in a worse condition than it had previously been in?—Yes.

244. Mr. *Wood.*] What were the terms upon which the parties connected with the South Australian Company were disposed to do it?—There were no terms arranged. When the difficulty arose I went to Mr. Angas, who had immense investments in the colony, and told him the difficulty; he said he thought he could get parties to do it if the Bank of England would not do it, and subsequently, we were so certain of the Bank of England doing it, that we did not go again to Mr. Angas; afterwards, upon the Bank declining, we went to Mr. Angas, and then his party declined.

245. Then you relied upon a source which failed you, and by that means you deprived yourselves of the opportunity of pursuing the negotiation with the other party?—Probably we did.

246. Mr. *Raikes Currie.*] Subsequently to the failure of the first proposition, did you inform any parties who made inquiries at the office of the commissioners that a satisfactory arrangement between the Government and the Bank of England for a loan had been concluded?—I think I mentioned that in conversation with Mr. Angas, one day when he called at the office, that it was going on so satisfactorily that we should not want his aid; and as the company had funds at their disposal, we thought it better that their funds should be applied to aid the colony in other ways. From the decided manner in which the governor and deputy-governor of the Bank of England assured us that they were willing to do it, we thought in fact that it was done.

247. Lord *Stanley.*] Were the grounds of the refusal of the Bank communicated in a letter?—The Bank addressed a letter to the commissioners, declining.

248. Stating the grounds?—No; simply declining.

249. Upon what authority do you state the grounds upon which the Bank declined to advance the accommodation upon the guarantee of the Chancellor of the Exchequer?—From a conversation I subsequently had with Sir John Rae Reid.

250. Mr. *Vernon Smith.*] After the conversation which you have mentioned with Sir John Rae Reid, in which he stated what was the feeling of the Bank directors respecting the guarantee of the Government, did anything further pass between you?—Nothing.

251. Did you make any answer to that observation of his?—I read him the Treasury Minute, saying, that they had given the guarantee which I conceived he wished for; but he said that that was not a letter from the Chancellor of the Exchequer to the Bank; and though I referred him to it, to show that the Minute was what he asked for, yet he did not seem to think that it was.

252. Lord *Eliot.*] Did he state that he would have been satisfied with a direct communication from the Chancellor of the Exchequer?—He told me so.

253. Did you not then apply to the Chancellor of the Exchequer to know whether there would be any objection on his part to making that communication?—Yes; and the Chancellor of the Exchequer said that he had done all that he could do; that he had had repeated interviews with Sir John Rae Reid and the deputy-governor, and he had gone as far as he in his responsible situation could go.

254. Lord *Stanley.*] In the advertisement which you put out in the first instance, did you insert the words of the Treasury Minute?—Yes, we did.

255. *Chairman.*] Can you furnish the Committee with a copy of that advertisement?—Certainly.

256. Lord *Mahon.*] You stated in your former examination that you would furnish the Committee with the amount and the dates of the first bills protested; are you prepared with that information now?—The first bill, the acceptance of which was refused by the commissioners, was for 180 *l.* 6 *s.* It was presented on the 24th of August, and became due on the 26th of October 1840.

257. Captain *A'Court.*] You said that Sir John Rae Reid and the rest of the Bank directors did not consider the Treasury Minute a sufficient guarantee; did you read to him Lord John Russell's instructions, where he said, "I have consequently to direct you to propose terms for a loan of 120,000*l.*, giving an assurance to the parties who may be disposed to contract for this loan that Her Majesty's Government will undertake to recommend to Parliament, notwithstanding any new arrangements," &c.?—I read that to Sir John Rae Reid, and also to Mr. Henry Pelly, the deputy-governor; and the deputy-governor said that if the Chancellor of the Exchequer would write to the Bank a letter embracing that, they would be satisfied; but Sir John Rae Reid went further, and said they would require a time to be named at which the money was to be repaid; that if the Chancellor of the Exchequer would pledge himself that the money should be repaid at some particular time, however remote, they would be satisfied.

258. Mr. *Raikes Currie.*] Do you believe that the Chancellor of the Exchequer was willing to offer to the Bank the same guarantee which, through the commissioners, he had offered to the public?—Yes; he authorized us to read the Treasury Minute and the Secretary of State's instructions to the directors of the Bank, which we did.

259. Lord *Eliot.*] Do you remember the date of the conversation with Mr. Angas to which you referred just now?—No, I do not remember the date; it was during the period of the negotiation with the Bank, and when we thought it was concluded.

260. Lord *Stanley.*] It was subsequently to the 3d of November?—Yes.

261. Lord *Eliot.*] What led you to believe that the negotiation was concluded; did the Bank ever hold out to you any expectation?—Yes; when we went first to the Bank we understood positively that they would do it, provided the Chancellor of the Exchequer gave them a guarantee; and as the Chancellor of the Exchequer had told us previously that he would give a guarantee, we conceived the thing done, both parties being willing to have it done. Then some misunderstanding arose between the Chancellor of the Exchequer and the directors of the Bank as to the precise nature of the guarantee; I only know that from conversation with Sir John Rae Reid.

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262. When that negotiation with the Bank was broken off, did you apply to Mr. Angas, he having previously led you to suppose that he might be disposed to facilitate the transaction?—Yes, but the parties that had been disposed to lend the money had in the meantime employed their money in other ways; and I believe the fact of the Bank of England having declined tended to make others decline also, because a person connected with the Bank of England, who had offered the money for 12 months at 10 per cent., after the negotiation of the Bank would not proceed.

263. Mr. *Gladstone.*] Are the Committee to understand that, so far as your knowledge extends, the point upon which the negotiation broke off was simply this, that the Chancellor of the Exchequer declined to name a period, however distant, for the repayment of the money to the Bank?—So far as I understood, but I had only unofficial conversations with the governor and deputy-governor of the Bank. The thing was conducted personally between the Chancellor of the Exchequer and those persons.

264. You stated that the governor and deputy-governor of the Bank did not hold quite the same language. It appears, therefore, that you are not qualified to inform the Committee positively upon which of the two grounds taken by those gentlemen respectively it was that the negotiation failed?—No; the deputy-governor seemed to be satisfied with less than the governor; the deputy-governor seemed to be satisfied with a letter from the Chancellor of the Exchequer, nearly copying the Treasury Minute, whereas Sir John Rae Reid added to that the payment at a given time.

265. Lord *Stanley.*] The fact, however, was, that the Chancellor of the Exchequer declined to accede either to the recommendation of the governor or the deputy-governor?—That was done among themselves.

266. Mr. *Hope.*] Were you rightly understood to say that you had a verbal communication with the Chancellor of the Exchequer upon the subject as well as by receiving the Treasury Minute?—Yes.

267. Did the Chancellor of the Exchequer, in the verbal communication which you had with him, express himself to the same effect as the Treasury Minute of November the 3d?—Yes, and authorized us to read the Treasury Minute to the Bank. In the Minutes of the Board these transactions are recorded, and they will be more precise with respect to dates and words than I can verbally give them in this way.

268. *Chairman.*] You stated just now that you made a report to the Colonial Office of the failure of all your attempts to raise a loan. Is that report contained in the letter you now hold in your hand, dated the 6th of January 1841?—It is.

269. Will you have the goodness to read that letter?—

[*The Witness read the same, as follows:*]

South Australia Colonization Office, 9, Park-street, Westminster,
6 January 1841.

My Lord,

We have the honour to report the measures which we adopted upon the receipt of your Lordship's letter of the 5th of November, enclosing a Minute of the Lords of Her Majesty's Treasury, on the subject of a loan for the colony of South Australia, and directing us, in conformity with that Minute, to propose terms for a revenue loan of 120,000*l.*, giving an assurance to the parties disposed to contract for the same that Her Majesty's Government would undertake to recommend to Parliament that provision should be made for the due fulfilment of the contract with the lenders, and of any stipulations under which the money might be advanced.

On the day upon which your Lordship's letter was received, we prepared a form of tender for the proposed loan, specifying the species of guarantee which Her Majesty's Government were prepared to afford, and we caused an advertisement, stating the terms and conditions upon which we were prepared to effect the loan, to be inserted in the Gazette and London journals, and enclosed to the principal bankers and insurance offices. On the 24th November, the day fixed by public advertisement for the reception of tenders for the loan, no tender conforming to the proposed conditions was received. A letter, however, was read from the secretary to the London Assurance-office, stating that the directors were precluded from tendering on the form prescribed, as the charter of the corporation did not authorize them to make advances, except upon securities having, at the time of such advances, the actual authority of Parliament, but they would be ready to advance the money on the terms named in the sealed tender, which was enclosed, as soon as the Parliamentary guarantee should be obtained. A conditional tender of this nature being altogether unavailable as a means of meeting the immediate financial difficulties of the colony, it was returned unopened to the assurance company, according to the request contained in the secretary's letter. Having thus failed in obtaining any available tender from the public, two of our body immediately proceeded to some of the London bankers for the purpose of ascertaining whether it would

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would be practicable to obtain the loan through private channels, and it was suggested by these parties, that the money might be procured by a deposit of Exchequer bills as security, or by a temporary advance from the Bank of England, upon the recommendation of the Treasury. After receiving these suggestions, we waited upon the Chancellor of the Exchequer, and were authorized by him to make a communication in his name to the directors of the Bank of England, to the effect, that it would be rendering a service to the public, if they would make, in the course of the next three months, temporary advances to our commission; and we were instructed to show to the directors the passage in the Treasury Minute which gave the assurance that Government would apply to Parliament for a guarantee of the permanent fund. In consequence of our receiving this authority, two of our body waited upon the Bank directors on the following day, and we were assured by the deputy-governor and two other directors of their willingness to make the required advance for the service of the public upon receiving an official application for the same, and a declaration from the Chancellor of the Exchequer that the Government would guarantee the repayment of the money. In compliance with the desire expressed by the deputy-governor, that we should communicate our wishes in writing, we, on the 26th of November, addressed a letter to the governor and directors of the Bank of England, stating that we had received permission from the Chancellor of the Exchequer to communicate with them on the subject of the required advance, and referring them to the Chancellor of the Exchequer for the nature and extent of the security which Her Majesty's Government would enable us to offer for the repayment of the temporary advances which we applied for. After having received some communications from the Bank upon the subject of our letter to that body, the Chancellor of the Exchequer sent for us, and informed us that the directors required a more precise and positive guarantee than that which the Government could give without the sanction of Parliament. Upon receiving this information, one of our body again waited upon the governor of the Bank of England; but the interview was attended with no successful result, as on the 17th of December we received a letter from the secretary of the Bank, in reply to ours of the 26th November, stating that the form of guarantee as proposed by the Chancellor of the Exchequer was not considered satisfactory. On the receipt of this letter, one of our body again went to the Bank of England, for the purpose of ascertaining the precise nature of the guarantee which the directors required, and was informed by the deputy-governor that he believed the committee of finance would recommend that the proposed advance should be made, provided the Chancellor of the Exchequer would address a letter to the Bank, giving a guarantee in the words of the Treasury Minute, and without reference to the Parliamentary Committee proposed to be appointed upon the affairs of South Australia.

This statement of the deputy-governor was reported by one of our body to the Chancellor of the Exchequer on the 26th December, who stated that he considered the promise he had already given as sufficiently strong and binding upon the Government; that he could not write another letter, confining himself to the terms of the Treasury Minute, but that he authorized the commissioners to take that Minute to the Bank of England as the guarantee which the Government was prepared to offer. In consequence of receiving this authority, one of our body again went to the Bank of England, on the 29th December, and had an interview with the governor. That gentleman stated that he believed the committee of finance would positively require a letter from the Chancellor of the Exchequer, in the terms of the Treasury Minute, containing no reference to any proceedings of the intended Parliamentary Committee; and he further observed, that the advance required would be immediately made, provided the Chancellor of the Exchequer would engage that the money should be repaid to the Bank within some stated time, the time of repayment being left to the convenience of Government.

We had already been informed that this was a promise which the Chancellor of the Exchequer was unable to give, and we therefore considered that there was no longer any hope of our obtaining the requisite advance from the Bank of England. We again had recourse to private parties, but upon this occasion with less success than before, inasmuch as it had become known that our negotiation with the Bank of England had failed.

It only remained for us therefore to wait upon the Chancellor of the Exchequer and communicate to him the result of the last interview with the governor of the Bank, and of our subsequent efforts to obtain through private channels the money which was immediately required.

Having thus had the honour to detail the measures to which we have resorted, in order to give effect to the instruction conveyed in your Lordship's letter of the 5th November, we are now most anxious to receive your Lordship's instructions as to the further course which we should adopt with reference to the various parties having claims upon the public funds of South Australia. These claimants consist of the holders of Colonel Gawler's unaccepted bills; of agents whose commission on the sale of land and for the selection of emigrants is now due; of the shipowners to whom freights for the conveyance of emigrants are due under contracts made with us; and the holders of South Australian revenue bonds, the half-yearly dividends upon which amount to 3,354*l.*, and will become payable on the 15th of the present month.

We have hitherto been enabled to check the urgency of the demands which day by day are made upon us, by giving an assurance that we were negotiating for a temporary advance of money sufficient to meet the claims upon us, until the Parliamentary guarantee for the loan was obtained. We can no longer give that assurance; but we take the liberty of requesting that your Lordship will cause us to be informed whether we may hold out to the

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creditors the prospect that Her Majesty's Government will apply to Parliament for the guarantee of the loan at some early period which may be convenient after the meeting of Parliament, and without reference to the proceedings of the Committee which will be appointed to inquire into the affairs of the colony.

In the present state of affairs, if we were enabled to state that Her Majesty's Government would take this course, it would perhaps be the only satisfactory communication which we could now make to the claimants. We do not, however, venture to suggest that it should be taken. Your Lordship has most truly remarked, that "the case is one of emergency, affecting the welfare, the property, and perhaps the lives of the inhabitants of the colony;" and we therefore feel persuaded, that whatever assistance it may be right and proper that the colony should receive in its difficulties, will be afforded to it by Her Majesty's Government.

We also take the liberty of submitting to your Lordship's consideration, whether it would be proper, on the present occasion, to make a distinction between the existing claims, and to apply to the liquidation of some of them any portion of the guarantee fund, amounting to 15,000*l.*, which by the Act of Parliament is held by trustees, subject to your Lordship's direction, should you think fit, for a temporary application of it to the wants of the colony; or whether it would be expedient for us to issue, under the provisions of the South Australian Act, revenue bonds, bearing an interest of five per cent., to such claimants as might be willing to exchange at par their unaccepted bills, or other pecuniary claims upon the funds of the colony, for such revenue bonds, upon the stipulation that the bonds should be paid as soon as the Parliamentary guarantee may enable us to raise the sum of 120,000*l.* These modes of satisfying immediate claims, or, should they be objectionable, any other that your Lordship might suggest, might prevent the occurrence of further financial difficulties. We think it right to mention that it has this day been verbally communicated to us, that there is an intention to commence an action at law against us for the half freight of one of the vessels hired for the conveyance of emigrants. Should the dividends also upon the colonial revenue bonds, falling due upon the 15th of the present month, not be paid upon that day, additional discredit would be incurred; while the return to the colony of Colonel Gawler's unaccepted bills may be expected to involve, on account of the charges of protest and interest, an additional expense of 30 per cent. upon the whole amount of bills returned.

In conclusion, we beg to state that we shall for the present, until we receive your Lordship's instructions, abstain from holding out any positive expectations to the claimants who may apply to us.

We have, &c.
(signed) *Robert Torrens.*
Edward E. Villiers.

270. Lord *Mahon.*] What answer did you receive to that letter?—That the Treasury could do no more.

271. *Chairman.*] In answer to that letter, was a copy of a letter from the Treasury communicated to you, written upon the perusal of your letter to Lord John Russell?—Yes.

272. Is that the letter? (*A letter being shown to the Witness*)—I think this is the letter.

273. Will you have the goodness to read that letter?—

[*The same was read, as follows:*]

COPY of a LETTER from *C. E. Trevelyan*, Esq. to *J. Stephen*, Esq.

(Immediate.)

Sir, Treasury Chambers, 15 January 1841.

The Lords Commissioners of Her Majesty's Treasury having had under their consideration your letter dated 12th instant, transmitting copy of one from the Colonization Commissioners for South Australia, announcing the failure of their endeavours to raise a loan for the services of that colony on the terms stated in their Lordships' Minute of the 3d November last, I am commanded to acquaint you, for the information of Lord John Russell, that my Lords regret to observe that the commissioners have failed to negotiate a loan, or to obtain an advance from the Bank of England. With reference, however, to the last transaction, it is correct that the commissioners were authorized to apply to the governor and deputy-governor of the Bank, and to refer them, respecting the guarantee, to the Chancellor of the Exchequer. My Lords think it unnecessary to go into a detail of the particulars which are stated in the letter of the commissioners; but they consider that the discussion respecting the guarantee was between the Chancellor of the Exchequer and the governor and deputy-governor of the Bank, and that this department is responsible as to what passed between these parties, and for that only. It does not appear to my Lords that they can take any further steps in aiding the resources of the colony until the meeting of Parliament. With respect to any answer to be given to the parties, my Lords would suggest that the only answer that can be given, will be to inform the parties that the case will be brought before Parliament without delay, with the view of making such arrangement for the satisfaction of their claims as Parliament may sanction.

I am, &c.
(signed) *C. E. Trevelyan.*

274. Do

274. Do you consider the distress which will have been occasioned to the colony by the protestation of these bills to be of a very urgent nature?—Very urgent.

275. To what extent do you conceive that distress may go?—It may be most alarming. The Committee will observe the condition of the colony of South Australia is this: in consequence of the delay of the surveys, the settlers could not get very soon upon their land, and for want of being able to get upon their land, they congregated very much in the town, and the increase of the population there gave a great increase to the value of the town lands and the buildings; consequently the principal part of the capital and industry in the colony went to building the town rather than to cultivating the land; and by the last account the colony is not quite producing half its subsistence, and it has been living upon imported food, which imported food has been chiefly paid for by bills upon England, the greater part of them Government bills; therefore, when those bills are dishonoured, there will be such discredit, that probably provisions will not be brought in for the supply of the colony; and I have always been apprehensive that there might be a famine there.

276. At what period do you think that consequence will result?—I can hardly tell, because I do not know when it was that the first bill went back; the first bill was received by the accountant in the latter part of August, and it would not be due for two months, therefore it would not be going back till October, even if they sent it back; but I am not sure that they sent it back; then it would take four months to go; but as the parties expected the Government to pay them, I believe they did not go for a considerable time.

277. At what period do you consider it probable that the credit of the colony will have been so injured as to interfere with the supply of provisions necessary for the subsistence of the inhabitants?—About four months after the departure from this country of the ship that took out the first protested bill.

278. Do you know when that ship went?—I do not.

279. Can you fix the earliest period at which it went?—I do not know.

280. Lord *Mahon.*] Do you know the name of the ship?—I do not know; those bills were held by private parties.

281. Mr. *Vernon Smith.*] At what period was the first bill protested?—About the 24th of August; it was presented for payment upon the 24th of August, and it was not payable for two months after that, and the parties might still hold it after the day of payment.

282. It would not be protested till October?—No.

283. Mr. *Wood.*] When do you suppose that the first bill quitted this country under protest for non-payment?—I do not know; in November or December, I suppose.

284. Was it before Christmas?—Probably about that time.

285. Mr. *Gladstone.*] Would not the intelligence that there was a doubt about the acceptance of the bill produce a very considerable effect in the colony?—I think the doubt would not have arisen till the non-acceptance was known there; but there would be a great check to the colony even before that, because in June we wrote to Colonel Gawler to stop these excessive drawings, and the ship that took that letter out sailed from Falmouth on the 7th of July; therefore about the 7th of November Colonel Gawler would have received intimation that he was to stop those drawings, and the very act of stopping those drawings and suspending the public works would give a considerable shock to the colony.

286. Lord *Stanley.*] Is it your opinion that if a loan had been negotiated in the month of November, at the time when the first bills began to be protested, this financial crisis would have been avoided?—No, I think that would have been too late; of course a great deal of distress would have been avoided, and it would have been much sooner remedied, but I think the credit of the colony would have been shaken at that time.

287. Mr. *Vernon Smith.*] Has the amount of bills which has lately come been equal to what you anticipated?—Yes, about the same. In the statement I gave upon the day I was last examined, it was brought up to the 1st of January, and I estimated that probably before the drawings ceased 20,000 *l.* more might come.

288. *Chairman.*] According to your present statement, taking four months as the average passage to Australia, the governor would receive in November

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instructions which would prevent his drawing any more drafts?—Yes, about the 7th or 8th of November, probably.

289. And the result of that communication to the governor you expect to receive in the course of the present month?—Or the next; they do not sail direct from Adelaide, they go round by Sydney.

290. Mr. *Wood.*] May there not be public works executed, for which there may be no means of providing except by bills, which he is prevented from drawing, and may not thereby great additional distress be created?—Persons employed upon those public works will be thrown out of employment, and that will, no doubt, increase the distress very greatly.

291. Lord *Eliot.*] And it will be necessary very materially to reduce the surveying staff and the police department, and those persons will be thrown out of employment?—Yes. I was asked the last day for the instruction sent to the governor to discharge those extra surveyors, and I have brought it—(*producing the same*).

292. Lord *Mahon.*] At what time may Captain Gray be expected to assume the command of the colony?—About three months from the present time.

293. Lord *Stanley.*] Can you state in what proportion the colony of South Australia is dependent for its supplies of provisions upon other countries?—By the last accounts, though they were not official, it would appear that they expected that the produce of the wheat harvest would be about 60,000 bushels. If that be correct, I think they would grow about half their vegetable food; and they have 180,000 sheep, and a great many cattle, and therefore they would not need to import their animal food.

294. At what time does the harvest come in?—The reverse of this country; it is now approaching to their harvest at this very time.

295. Then the harvest, which, as you state, is sufficient for half a year's supply of the colony, will just have come in at the time that the financial difficulties will have become known?—Yes, soon after.

296. Do you consider you are justified in stating that the supply of corn in the colony is sufficient for the population for one half of the year?—That is stated in unofficial accounts in the newspapers of the province.

297. Have you no official accounts stating how far the colony is or is not dependent upon foreign supplies for its subsistence?—No; we have got a statistical account of the colony, but it does not state anything about the cultivation; it states almost everything else. I beg to say that my statement of 60,000 expected bushels is merely from report; I have nothing official upon it.

298. Mr. *Raikes Currie.*] Do you consider it one of those sanguine reports, many of which have arrived from the colony?—I should be sorry to rely upon it, or that the Government should act upon it.

299. Lord *Stanley.*] Can you state whether there is any period of the year at which supplies of corn periodically come into the colony?—They come in at all times. Until this last harvest there was very little corn grown, scarcely any.

300. Do you mean to say that there is no one period of the year at which corn comes in habitually to a greater extent than at other periods?—I am not aware; our statistical accounts are so very imperfect upon the subject. We gather it chiefly from the newspapers.

301. *Chairman.*] Are the Committee to understand that you are of opinion that at the time of the receipt of the information in the colony, which would so much injure its credit, there would be live stock in it sufficient for the consumption of the colony for a lengthened period, and about half a year's consumption of corn?—I do not say that; I say that by loose reports in newspapers it is stated that they expect to have so much.

302. Upon what grounds do you form your opinion that the receipt of this information in the colony would tend to produce a famine at an early period?—Because they have been living upon imported provisions almost exclusively up to this last season, when they say there was this extension of cultivation. The report is, that the cultivation is going on very rapidly, and they expect 60,000 bushels of wheat at the harvest; but with respect to sheep and cattle, they are the property of large capitalists, who are grazing farmers and sheep farmers; and the labouring people, if they are thrown out of work by the suspension of public works and the general discredit of the colony, could only get these cattle and these sheep by becoming plunderers.

303. How soon after the receipt of this information do you think that famine would not only be apprehended, but begin to be experienced?—Assuming that there was two months' consumption of flour in the colony, it would come in two months.

304. Have you any information which enables you to fix two months' consumption as the probable amount in store in the colony?—No.

305. Mr. *Raikes Currie.*] Are you aware of the price of flour in the colony at the date of the last letters from the colony?—No; I have not seen the last accounts; it had been falling.

306. *Chairman.*] You are not able to furnish the Committee with any accurate statistical information sufficient to enable them to judge what the immediate effects are likely to be of the injury done to the credit of the colony?—No; I should think that Mr. Angas and gentlemen connected with the company would give much more accurate information upon these subjects than I can. They have large quantities of land in cultivation themselves, and they know precisely how the thing is going on.

307. Have you any explanations that you wish to offer with respect to any part of your evidence given on the preceding day?—I have. With reference to Question 65, in addition to the answer I then gave, I wish to state that the 200,000 *l.* being considered by the former commissioners inadequate for the purpose for which it was intended, it would become at some period necessary to apply to Parliament for greater powers; and it was the object of the second South Australian Act to do away the strict limits as to borrowing which were imposed by the first Act. Then, with reference to Question 73, I wish to add to my answer, that the first loan for the emigration fund was in July 1838. At that time we had 24,000 *l.* of the public loan of 80,000 *l.* to call up; but instead of calling it up, and paying 10 per cent upon the instalment, we took 8,000 *l.* from the emigration fund, and thereby saved the difference between 10 per cent. and the interest upon Exchequer bills.

308. Is there any other part of your former evidence with respect to which you wish to offer any explanation?—I wish to add to Answer 111, with respect to the passage in the letter dated the 26th of August, in which it is stated, "that by a wise provision of the fundamental laws of the colony, the power of the commissioners to borrow money is strictly limited," that letter was sent in to the Colonial-office without my signature, I being then absent, in the expectation that if I approved I should sign it upon my return. On my return to town, on the 28th of August, the letter appeared to me in many respects objectionable, and particularly objectionable on account of that passage, and I stated that to my colleague, who consented to withdraw the letter and to have it re-written without that, and some other passages, in order that I might be enabled to sign it, that we might make an unanimous application for relief to the Government; and it was withdrawn and re-written, to save time, with a good deal of haste, and I believe that both myself and my colleague signed it in the belief that that passage had been struck out. The next answer to which I wish to refer is the Answer to Question 121; I was asked, "When was it, according to the construction you place upon the proviso in the third section, that the law was violated, inasmuch as at the end of the year the total amount borrowed exceeded one-third of the amount which accrued to the emigration fund in the course of the year"? I wish to add to the answer to that question, that by the amended Act, when any money advanced from either fund in aid of the other shall be required for the purposes of the fund by which the advance is made, the commissioners are to borrow, in addition to the money they are authorized to borrow by the first Act, money to replace such advance. Early in that year the money borrowed from the emigration fund was required for emigration, and we violated the spirit of the Act when we stopped emigration, instead of raising a loan to replace the emigration fund.

309. You stated in your last examination, in answer to Question 186, that you could furnish to the Committee the supplementary instructions addressed to Colonel Gawler. Have you them now with you?—I have; this is the letter to Colonel Gawler, of the 10th of May 1839.

[*The Witness read the same, as follows:*]

Colonel *Robert Torrens.*

2 March 1841.

(No. 34.)—Land Surveying Staff.

South Australian Colonization-office, Adelphi Terrace, 10 May 1839.

Sir,

Mr. Kingston's letter of the 27th of October announces his resignation of the office of deputy-surveyor, and states the circumstances which led thereto, on which, in the absence of your report, the commissioners abstain from making any remark.

Lieutenant Frome, the new surveyor-general, who sails in the Recovery, is accompanied by a detachment of 15 sappers and miners.

Immediately on receiving the resignation of the greater part of the officers of the old surveying staff, Colonel Torrens, in a letter of the 2d of December, requested you to organize a new staff, taking care, however, that the arrangement should be regarded as only provisional and temporary, in order that it might be left open to the Board to make other arrangements if they should appear necessary.

In my letter of the 4th of January, "No. 2, Land," the resignation of the surveyors was fully accepted; and after careful deliberation it was determined by the Board that the new staff should be composed almost entirely of men who, being subject to military control, would not have it in their power to throw up their appointments at a time perhaps when their services were most required.

The sappers and miners have been selected with this view, and although few of them have had much practice in surveying, Lieutenant Frome is confident that they can in a very short time be trained for the service.

A few days ago, after the formation of a military surveying staff had been completed, and when the staff was about to embark, the commissioners learned from the South Australian papers (for, as already stated, none of your despatches have as yet been received) that several of Colonel Light's assistant-surveyors were on the resignation of Mr. Kingston reinstated in office, but this fact does not, in the opinion of the Board, create any obstacle to the arrangement which had been adopted. By withdrawing themselves without notice from the surveying staff, and more especially by retaining for a time the instruments and field books, and thus doing their best to thwart the intentions of the commissioners, these gentlemen have, in the opinion of the Board, forfeited all claim to consideration; and the commissioners request that, on the arrival of Lieutenant Frome, the surveying staff shall be considered as consisting solely of Lieutenant Frome, and the sappers and miners who accompany him; nevertheless, you will be at liberty to increase the staff within the limits prescribed by my letter to Lieutenant Frome of the 12th of March (enclosed), by adding to it any individual whom Lieutenant Frome may recommend as necessary to the more efficient execution of the work.

The enclosed copy of the letter of the 12th of March is the one appointing Lieutenant Frome to the office of surveyor-general. From this you will observe that part of Mr. Frome's remuneration will depend on the sales of land, and that part of the remuneration of the officers of the survey will depend on the quantity of land surveyed, such additional remuneration in either case being apportioned by the Board in England, and not being payable to any one who, on the receipt in the colony of the order of payment, shall have quitted the survey, unless such withdrawal be after a year's notice.

You will observe, that with a surveying staff about equal to Colonel Light's, Lieutenant Frome estimates he shall be able to make an accurate survey, complete in every respect, of 420,000 acres per annum. He is not to be understood as having contracted to survey this quantity of land; but as his estimate was made after mature deliberation, and with a knowledge of all the facts of the case (except that which can only be obtained from actual experience in a new country), and as his salary was determined in the expectation that his estimate would be realized, Lieutenant Frome is considered, both by the commissioners and himself, responsible for effecting a survey to the estimated extent, unless serious and unforeseen difficulties should arise.

The commissioners feel assured that you will see the great importance of strengthening, by every possible means, the feeling of responsibility thus created. With this view they have adopted Lieutenant Frome's recommendation in all the arrangements which have been made. They have ordered whatever instruments he considered necessary, and have left the selection of the sappers and miners entirely with him. With the same view, the commissioners are desirous that Lieutenant Frome's wishes should be consulted in all the arrangements which may be made in the colony, and that no appointments to the surveying staff should be made except on his recommendation.

In "No. 38, Finance," authority will be given for the necessary disbursements on account of the surveys.

The commissioners request that you will arrange with Lieutenant Frome an allowance in money to the officers as well as to the men in lieu of rations.

They also request that you will authorize Lieutenant Frome to make arrangements for the better preservation and repair of the surveying instruments. Lieutenant Frome suggests that when an instrument is injured, at least part of the cost of its repair should devolve on the party who had charge of it, should the injury appear to have arisen from neglect or improper use, an arrangement of which the Board approves.

All instruments requiring repairs which cannot be effected in the colony, should without delay be forwarded to England.

I have, &c.

(signed) *Rowland Hill.*

310. Mr. *Raikes Currie.*] Are the Committee to understand that that contains the first communications upon the subject after the letter of the 2d of November 1838?—Yes.

311. Five months had elapsed?—Yes.

312. *Chairman.*] Is there any other passage in your former examination that you wish to give any explanation of?—I wish to add to the answer I gave to Question 206, that Colonel Gawler in several of his despatches stated that his authorized expenditure was insufficient, and we should have been prepared for a moderate excess of drawing over and above his authorized expenditure.

313. Does that despatch which you have now read, dated the 10th of May 1839, contain the whole of the supplemental instructions to which you referred in your former examinations as having restricted Colonel Gawler in the amount of expenditure he was to incur in respect of surveys?—Yes.

314. Then the letters of the 2d of December 1838 and the 10th of May 1839, comprise the whole authority under which Colonel Gawler has acted upon this subject?—I do not remember any other than those.

315. Does that letter contain any precise amount which Colonel Gawler was not to exceed in drawing upon the commissioners?—No; but the expense of Lieut. Frome's staff was distinctly stated.

316. You mean, that the expense of Lieut. Frome's staff having been distinctly stated, Colonel Gawler was instructed not to employ any other surveyors than that staff?—Yes.

317. Does not that letter relate exclusively to surveys?—Yes.

318. Have not the bills drawn by Colonel Gawler reference to many other subjects besides surveys?—Certainly.

319. Were there any other restrictions which Colonel Gawler was subject to, with respect to public buildings, and police, and other heads of expenditure, which he might think advantageous to the colony, beyond those contained in the letter of the 2d of December 1838?—No; Colonel Gawler had authority to expend to a certain amount. He was limited to certain expenses, as stated in the printed papers. The limitation of his expenditure was fixed; but with respect to surveys, we gave him unlimited power to expend money in re-organizing the survey, so as to make it efficient, and that unlimited power was withdrawn by the letter I have read.

320. You mean that the only point upon which Colonel Gawler had not express instructions as to the amount he was to expend, was as to surveys; and you say that as to surveys, a restriction was imposed upon him by the letter of the 10th of May 1839?—Colonel Gawler had general instructions not to exceed certain amounts, and it was not necessary, therefore, to curtail him, because his instructions curtailed him. But in this case he had special authority to use his own discretion with respect to the expenditure, and that discretion was withdrawn by that letter of the 10th of May 1839.

321. Do those general instructions to which you have referred expressly restrict Colonel Gawler as to the amount of his expenditure?—They do. They are in the Third Annual Report. Those are the instructions prepared by the Audit Office, and approved by the Lords of the Treasury.

322. At what page of the Third Annual Report are those instructions to be found?—Page 43, No. 14, in the Appendix, the Instructions to the resident commissioner respecting the expenditure of the public money. The whole of his first instructions are contained here. In case of famine he had an unlimited power.

323. Mr. *Hope.*] In the Second Report there are instructions given to the first resident commissioner, Mr. Fisher; do you consider that Colonel Gawler was in any way bound or affected by those instructions?—Colonel Gawler had many fresh instructions, which may have limited that very much; but I have got here the entire of the financial letters that have been despatched to Colonel Gawler (*producing the same*). There are many special instructions respecting expenditure contained here upon particular points.

324. *Chairman.*] In paragraph 9 of the Instructions addressed to Colonel Gawler, at page 43, in the Third Annual Report, there is this instruction: "You are not to direct the execution of any public works, whether buildings, roads, bridges, canals, &c., without plans and detailed estimates of the whole expense being first submitted to the colonization commissioners, and approved by them; neither are you to incur any expense of a special or extraordinary nature without their previous authority, except in cases of the most pressing emergency, when such

Colonel Robert Torrens. 2 March 1841.

previous authority cannot be obtained without serious injury to the public service. In every such case, you will make a full report of all the circumstances to the colonization commissioners, and the date and number of such communication are to be specified in the warrants for payment." Do you conceive that a case of the most pressing emergency did exist to authorize the excessive drafts drawn by Colonel Gawler on the commissioners?—Not that I am aware of.

325. Do you think, from the explanation you have received from him, that he acted in the spirit of that instruction?—No; I think he exceeded it very much.

326. And there was no subsequent qualification of that instruction?—No. He was authorized to build a wharf, and to build a government-house, and to do certain specific things; but except for some specific object, such as building the government-house and that wharf, he had no authority to go beyond that instruction.

327. In those cases, had he previously complied with this instruction by submitting plans and estimates to the commissioners?—No; he commenced the government-house long before he got authority, but we sanctioned it.

328. Mr. *Raikes Currie.*] To the amount of 25,162 *l.*?—Yes.

329. *Chairman.*] When did you first receive an account of the expenditure incurred by Colonel Gawler with respect to the government-house without your previous sanction?—I forget the date of his letter to us.

330. When did you sanction that expenditure?—I do not remember the date exactly.

Jovis, 4° die Martii, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Howick.
Lord Eliot.	Lord Mahon.
Lord Fitzalan.	Mr. Parker.
Mr. W. E. Gladstone.	Mr. Vernon Smith.
Sir George Grey.	Lord Stanley.
Mr. G. Hope.	Mr. G. Wood.

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

The Right Hon. the *Chancellor of the Exchequer,* Examined.

Right. Hon. *Chancellor of the Exchequer.* 4 March 1841.

331. *Chairman.*] CAN you state to the Committee the nature of the communication that passed between yourself and the governor of the Bank relative to the proposed loan for the colony of South Australia?—I will give the Committee copies of the official papers that passed between us; but as part of the negotiation took place in private correspondence, and part in personal communication, I thought it was better that I should make it in the shape of a statement, than merely by producing the papers. About the close of the month of November in last year, the South Australian Commissioners came to me, stating that they were utterly unable to raise a loan, which the Government had sanctioned them in raising, and they in conversation suggested to me different courses, with a view of taking my opinion which was most eligible in order to obtain the money. Among the courses which they suggested, was that of an advance from the Bank. We considered the different suggestions, and I recommended them to apply to the Bank, and they concurred in that recommendation. I desired them to go to the Bank, to see the governor or deputy governor of the Bank before they made any official representation, to ascertain from them whether it was likely to be acceded to; and with reference to the guarantee, I desired them to refer the governor to me, as the whole of the communication upon that point would take place between me and the Bank. I mentioned to them the answer I should give the Bank if they asked me whether I considered the advance necessary for the public service. On the 27th of November I saw the deputy governor of the Bank, and I had a note from him

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him communicating to me a copy of an application from the South Australian Commissioners for an advance; I mention this application, though it was worded incorrectly, and was obliged to be withdrawn by the South Australian Commissioners. Some private verbal communication took place of no very great importance between me and the deputy governor. And on November the 30th I saw him, and we arranged the mode in which we should make the communication to him to bring it before the committee of the treasury of the Bank. The Committee are aware that the mode of carrying on the transactions of the Bank is, that the governor and deputy governor may go to a certain extent, but they have a council called the committee of the treasury, and they do not go beyond a certain limit without consulting the committee of the treasury, and the deputy governor thought that in this case he could not authorize any advance without consulting and having the approbation of the committee of the treasury. It was arranged that I should write him a private letter, which would state the whole case to him, and that he should take the opinion of the committee of the treasury upon it. This is a private letter, but at the same time, as it was intended that he might use it with the committee of the treasury, there can be no objection to my reading it to the Committee :—" November 30. My dear Sir, I have lost no time in seeing the Commissioners for Emigration on the subject of your conversation this morning, viz. the advance to them on account of the colony of South Australia. The case stands thus: bills to a large amount are either due or expected to arrive in this country before the meeting of Parliament. The commissioners have no means to provide for their demands, except the power of raising a loan under an Act of Parliament; with respect to this loan, in the present state of the finances of the colony, it was clear that no money could be raised without some guarantee from the Home Government. In these circumstances, after much consideration, and adverting not only to the hardship which individuals might suffer, but more especially to the state of utter confusion and anarchy in which the population of the colony would be thrown, if at once they were to be informed that there existed no funds for the payment of the necessary expenses of a government, it was decided that a helping hand should be held out to the colony in their present difficulty, while for the future precautions should be taken for setting right the financial administration, over which, as you are aware, the Home Government has at present no control. To meet these two points it was proposed, 1st, immediately on the meeting of Parliament, to appoint a committee before whom the whole financial state of the colony should be fully laid, and to whom measures should be recommended for the security of the public faith of the colony and the future regulation of the finances. 2d, A loan should be raised to meet the demands which pressed, under the check of the Treasury, and as it could not be raised on the security of the colony, a guarantee should be given by the Home Government to recommend to Parliament measures for securing the payment of interest. I have not the official paper which expresses the extent of the guarantee at hand. As you are aware the proposal for raising a loan has failed, and after communication with me, and with my sanction, the commissioners saw you with the view of obtaining a temporary advance from the Bank. Lest there be any mistake, I will state what I thought might be done, and how far I am inclined to recommend the step. What I apprehend the commissioners to apply for is, that the Bank should from time to time advance them funds to meet the demands upon them, such advances to be repaid on the raising the loan contemplated. I apprehend that by their Act the commissioners may give their bond as a security. As to whether such an advance should be made, I should say this, if the Bank are of an opinion that such an advance would be injurious to the measures which they may feel it necessary to take with reference to the circulation and their own security, I certainly should not for a moment recommend that it should be done, and so I have informed the commissioners; but if there be no such objection, then I shall have no difficulty in stating, that I think it will be for the public service that the advance should be made, and I shall consider myself bound to see that the interest is properly paid, and provision duly made for the repayment. I have written this explanation privately to you, in order that you should consider how far the Bank may be inclined to meet the application of the commissioners, and to save (which is always inconvenient on both sides) a public letter on my part and a refusal on the part of the Bank; of course I shall be prepared to write publicly,

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licly, and the commissioners will apply officially. The letter which you transmitted to me, though substantially correct, appears capable of improvement in point of form. I mean, I think it better I should speak for myself what I have to say, although they may do it quite as well." They had, contrary to my instructions, stated that the Chancellor of the Exchequer had authorized them to say that he would sanction the guarantee; and I wished it to be distinctly understood, that whatever passed should pass between me and the Bank. In answer to that I received a note from the Bank, dated December 21st, from Sir Henry Pelly, in which he stated to me, that the committee of the treasury had resolved "that an advance be made upon a letter of guarantee from the Chancellor of the Exchequer, engaging to repay the principal and interest within six months after such advance shall be made." This was a private communication, in answer to a private letter of mine, which was written to ascertain their opinions. I am sorry I have not got my answer to this letter; I answered it late at night, and have no copy; but the answer I gave was this, that they must be perfectly aware that if those were the words in which they intended I should frame the letter, it was impossible for me to give a guarantee engaging to repay the principal and interest at all, much less engaging to repay the principal and interest in six months. That all I could possibly do was to engage myself to recommend to Parliament certain measures, and that if they insisted upon any letter being written in those words, I should consider that as a civil refusal, and that they did not intend to do it. Subsequently the deputy governor called upon me to say, that the wording was not a point upon which he thought there would be any objection, provided I wrote a satisfactory letter; at least, that was the impression I received from his communication, that, provided I wrote a satisfactory letter, there would be no objection to make the advance.

332. Lord *Stanley.*] Was that communication verbal?—Verbal, leaving the impression upon my mind, that it was time to make an official communication. In consequence, an official letter from the Commissioners to the Bank was sent to me, and I will read it in its corrected shape; it is dated the 26th of November, which was the date when it was originally sent in; the 7th of December was the date when it was corrected. "Gentlemen,—With reference to our interview with some members of your Board this day, and to the desire expressed by the deputy governor, that we should communicate our wishes in writing, we beg to state that, not having been able at the present moment to obtain the South Australian Revenue Loan which we are authorized by Act of Parliament to raise, we have received permission from the Chancellor of the Exchequer to communicate with you on the subject, for the purpose of ascertaining whether you will be willing to afford to the South Australian Commission a temporary accommodation, to be repaid as soon as the proposed loan shall have been raised. The amount of the accommodation required is 40,000*l.* immediately, 10,000*l.* in December, 20,000*l.* in January, and 20,000*l.* in February. For the nature and extent of the security which Her Majesty's Government will enable us to offer for the repayment of the advances which we have applied for, we have permission to refer you to the Chancellor of the Exchequer.—We have the honour to be, &c., *Robt. Torrens, Edward E. Villiers.*"

333. Mr. *Gladstone.*] Had that amount of 90,000*l.* been determined upon in conversation between yourself and the commissioners?—I cannot exactly say when it was determined between me and the commissioners. I have no doubt it was checked by the Treasury, but I do not know whether I checked it myself or not.

334. Lord *Stanley.*] Was this a letter, corrected under your direction, and sent to the committee of the treasury of the Bank?—Not exactly so. The original letter was sent in without my seeing the letter at all. In that original letter, instead of saying, as I had requested them to do, "That as to the nature and extent of the security they begged to refer the Bank to me," they had said, "We are authorized by the Chancellor of the Exchequer to state so and so;" and my communication to the Bank was, that as I had to perform the promise I would rather make the promise myself. They had, in fact, so worded the promise that I could not enter into it; they had made me state, not that I would recommend the measure to Parliament, but that I would actually guarantee the loan; this was withdrawn.

335. And this corrected letter was substituted in accordance with your wish?—Yes, it was.

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336. By whom was that letter transmitted to the Bank?—By those who signed it, by the commissioners.

337. *Chairman.*] And it was transmitted by the Bank to you?—It was, with a letter which I am about to read. This letter is dated "Bank of England, 7th December 1840. Sir, I have the honour to enclose copy of a letter received from the Colonization Commissioners for South Australia, and understanding that the advance is required for the public service, the Bank will be disposed to afford the accommodation, provided the security which they state Her Majesty's Government will enable them to offer, and which they have applied for, be satisfactory." Then in answer to that, this letter, which is dated the 9th of December, was sent: "Sir, I have to acknowledge the receipt of your letter of the 7th instant, enclosing a copy of an application from the South Australian Commissioners for an advance; the commissioners have correctly stated that this application was made to you with my concurrence, being of opinion that such advance will be for the public service, if it can be made in a manner not injurious to those interests more peculiarly entrusted to the care of the Bank. With respect to the security, the Bank will be perfectly aware that I have no legal power to give any guarantee; at the same time I have no difficulty in stating that it is the intention of Her Majesty's Government to bring the subject of the condition of the settlement of South Australia before Parliament at the earliest period. The financial condition of the colony will require the most immediate attention; and on recommending measures in order to remedy the present difficulties and secure proper arrangements for the future, Her Majesty's Government will certainly consider themselves bound to recommend and to advocate a provision for the early repayment of the advances made by the Bank." That is an official letter; in answer to that letter the governor and deputy governor called upon me to state that that letter did not seem satisfactory to the committee of the treasury. Perhaps, as a paper was put into my hands at the time, I had better read that, as the substance of the conversation:—"That if by the letter of the 9th instant, it is understood that the Government undertake to propose to Parliament, and to support a guarantee of a loan for 200,000 *l.*, out of which the Bank should be paid (independent of any recommendation of a Committee of the House of Commons), then the Bank will be ready to make the proposed advance." That is the paper that was put into my hands at the time; a good deal of conversation took place, and in that conversation the two points that they took were, first, that they wished me, as I understood, to give them an assurance, that whatever the recommendation of a Committee might be, even if the Committee were to recommend a different course, still I should pledge myself to carry the arrangement through. And the next was, that they had some doubts with regard to the time of repayment. With regard to the first point, I told them that it seemed to me there could be no doubt as to the repayment of the money; that whatever opinion might be entertained of the conduct of the minister who had made the pledge, I felt sure that there would be no difficulty whatever in keeping faith with the Bank, if the advance was made; but that, as it was thought advisable to lay the whole case before a Committee, in order that it might be fully considered, I did not think it advisable to state upon paper, or in any way to give them a pledge, that I would act contrary to the recommendation of a Committee; because, of course, the Committee would say, If you have pledged yourself to take a particular step, what is the use of bringing before us the case at all? and, therefore, under the impression that it would be a very unwise step, I should decline making them any such pledge as they wished me to make. With regard to the time, I called their attention to the statement in my letter, that I pledged myself to an early repayment of the advances made by the Bank. And in answer to the question, what was meant by an early repayment, I gave them to understand that I considered that the money ought to be repaid them before the termination of the Session of Parliament. I believe that to be a correct statement of what passed. There was considerable conversation, and I did not give them an immediate answer, but took their paper with me, and told them I would answer them after seeing Lord Melbourne.

338. Do you know the date of that interview?—I have not got the date of the interview, but it must have been between the 9th and the 11th. My official letter is on the 9th. I wrote a letter on the 11th stating that I had

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communicated with Lord Melbourne upon the subject of our conversation, and we were of opinion that the original letter went far enough, and required no alteration. Subsequently to that I had a private letter from Sir Henry Pelly, suggesting the leaving out some words. I told him I thought that the leaving out those words might lead to the supposition that a change had been made; that I could not make an alteration of words which appeared to effect a change when I did not really mean to make any. There were some words the removal of which he thought might be advantageous.

339. Mr. *Gladstone.*] What words were they; were they material words?—I can state what the words were: "With respect to the security, the Bank will be perfectly aware that I have no legal power to give any guarantee; at the same time I have no difficulty in stating"—then it was proposed to leave out all the words stating that we intended to bring the subject before the House of Commons at an early period, and simply to state, that Her Majesty's Government "will certainly consider themselves bound to recommend and to advocate a provision for the early repayment of the advances made by the Bank."

340. *Chairman.*] Leaving out all the words having reference to bringing it before a Committee?—To bringing it before Parliament; and my answer was this: "The letter had better stand as it does; I cannot make an alteration which appears to effect a change, where I do not really mean to make any. Of course the discretion of the Bank, in giving or refusing the accommodation, I do not give any opinion on. But if all other objections are removed, I must say that I do not understand how the doubt as to repayment could be removed by the change in the particular words." That was a private suggestion of Sir Henry Pelly.

341. Mr. *Wood.*] Will you have the goodness to read the words which were proposed to be left out?—"At the same time I have no difficulty in stating"—that was to be left in; and here come the words that were proposed to be left out—"that it is the intention of Her Majesty's Government to bring the subject of the condition of the settlement of South Australia before Parliament at the earliest period. The financial condition of the colony will require the most immediate attention; and in recommending measures in order to remedy the present difficulties, and secure proper arrangements for the future,"—so far was to be omitted; then here come the words which are wished to be kept in,—"Her Majesty's Government will certainly consider themselves bound to recommend and to advocate a provision for the early repayment of the advances made by the Bank."

342. Mr. *Gladstone.*] Did you intimate to the governor and deputy governor of the Bank that the recommendation to guarantee the loan would be submitted to a Committee of the House of Commons?—I intimated to the governor of the Bank that, in appointing a Committee, the Government would recommend to the Committee the measures which they thought necessary for setting the finances of the colony upon a proper footing; I so stated it in my first letter. There were three points which I thought necessary when the case was brought before me. First, that I should ascertain the real state of the finances of the colony; and for the purpose of doing that, Mr. Parker was appointed to look into it. The next was, that some security should be taken for the future; and as it was a colony over which Parliament had more peculiar authority, and with which the Government had no power to interfere without going to Parliament, it was thought advisable that the whole case should be laid before Parliament in the way in which we thought it was most likely to receive attention, namely, before a Committee. The third was, that between the time when any public advance was made, and the time when Parliament should devise any proper measures for remedying the inconveniences, that the Treasury should have a complete check over the spending of the money.

343. Lord *Stanley.*] Does not the objection which the Bank of England seem to have taken to the advance, rest upon mixing up in the same Parliamentary inquiry the two points of the remedy required by the constitutional difficulties of the colony and the advance of money to meet the financial crisis?—I would rather not answer for the objections felt by the Bank. The governor and deputy governor would answer that question. Looking into these papers, I cannot understand that the Bank could have any real doubt as to repayment.

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344. When you look back to the first letter, the private letter which you read, does not that private letter appear to separate, in the view of the Government, those two points, namely, the advance of money to meet the difficulties of the colony, and the inquiry into the state of the colony, which was to be submitted to Parliament?—I will read the words: "To meet these two points, it was proposed, first, immediately on the meeting of Parliament to appoint a Committee, before whom the whole financial state of the colony should be fully laid, and by whom measures should be recommended for the security of the public faith of the colony, and the future regulation of the finances; secondly, that a loan should be raised to meet the demands which pressed, under the check of the Treasury; and as it could not be raised on the security of the colony, a guarantee should be given by the Home Government to recommend to Parliament measures for securing the payment on interest."

345. Lord *Eliot.*] In the Treasury Minute of the 3d of November, the Lords of the Treasury propose "to authorize the commissioners to give an assurance to the parties who may be disposed to contract for this loan, that Her Majesty's Government will undertake to recommend to Parliament, that notwithstanding any new arrangements that may be made in regard to the government of the settlement of South Australia, or to the past or future proceedings of the commissioners, provision shall be made for the due fulfilment of the contract with the lenders, and of any stipulations under which the money may be advanced." In that Minute it does not appear that any reference is made to any intention to submit that part of the question to the consideration of a Committee of the House of Commons; what induced you to alter that intention, and to make that stipulation, that that part of the question should be submitted to the consideration of a Committee?—I do not understand that they are in the slightest degree inconsistent. In both cases the guarantee was as strong and as marked as it was possible for me to frame a guarantee. I considered that the Government was as much pledged as a Government could pledge itself in either case; and I should have considered myself as much bound to have seen that the parties were paid, or that the Bank was repaid its advance, as I was bound by any other promise I could possibly make on the part of the Government. But I did not consider that it was at all inconsistent with that pledge to state, that in bringing the measure immediately before the House of Commons I might think it more advisable to bring it before a Committee, with the view of its being more carefully and more quietly considered in Committee, than it could possibly be in the House of Commons, with a mass of papers. In any conversation that I had with the Bank, I never represented that by going to a Committee I wished to shrink from the responsibility of recommending the repayment, but I proposed that as the best practical mode of bringing forward the recommendation of Government before the Legislature.

346. Does not it appear, that if you had offered to the Bank the same terms which you authorized the commissioners to offer to any loan contractors who might have been disposed to advance the money, these difficulties would not have arisen?—The Bank wished me to promise repayment by raising a loan for 200,000*l.*; there was no necessity for me to promise the Bank that they should be repaid by any particular measure whatever; the only concern of the Bank was to be repaid; I might repay them by a loan, or by a grant, or by any other measure; if I promised to repay them, I had done all in my power.

347. Mr. *Wood.*] Supposing the Bank to have acceded to your proposal, and made a loan in the terms stated in the public letter, and that, upon a reference of the subject to a Committee, that Committee, in their Report, had not made any reference to the question of the loan, giving no opinion as to its propriety or otherwise, what would then have been the course pursued by the Government in consequence of that guarantee; would they have recommended to Parliament to repay to the Bank the money they had so advanced?—It is difficult for me to speak on the part of the Government under circumstances which have not actually occurred, but if you ask me individually, as Chancellor of the Exchequer, I have no hesitation in stating, that I can conceive no course taken by a Committee which would relieve me from performing my promise.

348. Mr. *Gladstone.*] In your view, therefore, the intervention of a Parliamentary Committee, which, according to that memorandum, is stated as the great objection of the Bank, could not affect, one way or the other, the obligation which the Government would have undertaken?—Not the least.

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349. Mr. *Wood.*] According to the usage of the Treasury in communicating with the Bank regarding advances to be made to the public service which are contingent upon the subsequent approval of Parliament, was there anything in this case different from others?—This was an extraordinary case, and I never remember a similar case.

350. Mr. *Hope.*] The date at which you have commenced, in your account of the negotiation, is the time at which the commissioners had failed to raise a loan upon the guarantee offered by the Minute of the 3d of November?—The date from which I commence my statement is from the time when the commissioners came to me and stated to me, that they were unable to raise a loan; I thought that was what the Committee wished to receive information upon.

351. Can you give any account of the reason why the commissioners were unable to raise a loan upon the Minute of the 5th of November, and Lord John Russell's letter of the same date?—I had nothing to do with those transactions.

352. Mr. *Gladstone.*] You have stated that in your view the obligation of the Government could not possibly be affected one way or the other by any recommendation that the Committee might make, whether friendly or hostile, and that although you considered that the course which the Committee might take was unimportant to the main question of the obligation of the Government, you notwithstanding felt a very strong objection to stating that expressly at the time?—I felt the strongest objection to agreeing to that paper which was put into my hands, which not only interfered with the course which I proposed to pursue, of laying the whole of the measure before the Committee, but which pledged me to an actual particular mode of repaying the money they advanced.

353. Did it appear from the conversation that you had with the governor and deputy governor of the Bank, that it was their intention to stand upon that point, and to require that the provision for repayment should be made in a particular form, and by a loan of a particular amount?—The amount was not the subject of discussion, but I pointed out the objection I had to the being bound to a particular measure. I was under the impression, when the governor and deputy governor left me, that they would not have been unwilling to make the advance. I was very much surprised when I found that the Bank had refused to make the advance.

354. Lord *Eliot.*] Should you not have been pledged to the particular course to which you have just referred, if the Colonization Commissioners had found persons disposed to advance the money in the first instance?—I should have been bound to guarantee the loan in that case undoubtedly, but I should not by any means have been bound not to have gone to a Committee to have had the advice and opinion of the Committee, or any suggestion that the Committee might have made, and I should not have been bound not to have taken what Government had considered the best mode of investigating the whole case.

355. Mr. *Gladstone.*] Had you any conversation with the governor and deputy governor upon the particular point of the amount of 200,000 *l.*?—I do not recollect that anything turned upon the amount.

356. Lord *Eliot.*] Would it not have been more difficult to you to recommend to Parliament to provide for the fulfilment of your contract if a Committee of the House of Commons had not been satisfied with the expediency of the measure?—I can perfectly understand a Committee of the House of Commons not being satisfied with the expediency of the measure, but I cannot understand a Committee of the House of Commons recommending that public faith should be broken.

George Fife Angas, Esq. called in; and Examined.

George Fife Angas, Esq.

357. *Chairman.*] YOU are largely interested in the colony of South Australia?—I am.

358. Will you state the nature of the interest which you have in that colony?—I am connected with the South Australian Company as the Chairman of the Board of Directors, and have considerable interest in the shares of the company; besides which, I possess a large extent of land in the colony itself.

359. To what extent?—I am interested in about 31,000 acres, including town acres. I have also mercantile connexions in the colony, having advanced capital

capital for mercantile houses there without being a partner in any of them. I transact their business with London.

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360. Lord *Eliot.*] You were originally a member of the South Australian Commission?—I was one of the first members of the South Australian Commission, and I retired from that Board under a conviction that the Act of Parliament could not be carried out by the commissioners, unless some collateral aid was obtained; and, perceiving that that aid could not be procured from any other source than through mercantile influence, I felt it my duty, with the concurrence of the commissioners, to endeavour to establish the South Australian Company. I stated the plan to Lord Glenelg at the time; his Lordship approved of it, so did the commissioners, and I made an attempt to carry it into execution. I felt, however, in doing so, that I was placed in an unpleasant predicament, by reason of my holding a seat at that Board, and being at the same time connected with the South Australian Company, who naturally would be purchasers of land.

361. *Chairman.*] Was not there an intimation made to you as a commissioner from the Colonial Office, that the Government considered the two situations to be incompatible?—Feeling that to be my position, without it having been intimated to me, either by the commissioners or by the Government, I saw that it was not right, and consequently I called upon Mr. Stephen, at the office of the Under Secretary of State for the Colonies, and stated my difficulties to him. He took time to reflect on the subject, and conferred with Lord Glenelg; I waited on him again in about a fortnight, when he intimated his concurrence with my views, and in the propriety of my tendering my resignation. However, as he thought it was for the interest of the colony that I should remain for a short time longer at the Board, I consequently attended its sittings after my resignation was accepted, for, I think, about two months. I had a communication respecting the grounds laid down by Government on the objections to my continuing there as commissioner, and I should be happy to put in that paper, with the permission of the Committee.—[*The Witness delivered in the same.*]—I may intimate that I had purchased no land, either for myself or for the company, during the period of my remaining a commissioner. The purchases were made after I had tendered my resignation, and it had been accepted.

Vide Appendix, (Paper, No. 9), pp. 197–199.

362. When was the South Australian Company first founded?—On the 22d of January 1836.

363. Then you were chairman of the company from its original formation?—I have been chairman of the company from its original formation.

364. What is the object of the company, and what is the nature of the interest which it has in the colony?—The object of the company in the first instance was to assist the commissioners, or rather to co-operate with the commissioners in carrying out the establishment of the colony according to the Act of Parliament. First of all by purchasing a proportion of the land necessary to raise the 35,000*l.* which was required by Act of Parliament to constitute the acts of the commissioners legal. The next operation was to provide shipping for the purpose of supplying the colony with the necessary means of planting an institution of that kind in a distant land, also for the purpose of establishing a sperm and black whale fishery, because we felt that unless we established a colonial trade, there would be no means of providing employment for the labourers, and if we could not obtain money for the purpose of employing the men on shore as well as at sea, the colony was not likely to progress. We were afraid of a re-action after the first emigrants were placed down in the colony in case they found no employment, and that they would emigrate to the neighbouring colonies. To meet that difficulty we sent out ships and officers, with the necessary capital for the erection of houses and various other establishments connected with the whale fishery and the white fishery, also trawlers and others, with a view of exporting white salt fish to India and China. And in addition to that, having land, which was purchased in the manner I have alluded to, we thought it our duty to cultivate land to the utmost extent of our means; we considered that the emigrants generally, especially those who proposed to undertake business, ought to have the means of a circulating medium, and consequently we established a bank on the arrival of the first detachment. We sent out coasting vessels, of from 100 to 200 tons, to import provisions from the neighbouring colonies, feeling confident that the

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emigrants sent out by the commissioners could not raise provisions immediately, and that consequently they would require a supply from distant parts; besides, we felt that in the establishment of a new colony there ought to be extensive flocks and herds, therefore the first movement that some of our vessels adopted after reaching the colony was to import cattle and sheep from Van Diemen's Land and New South Wales. Besides, we were aware that there was a great degree of antipathy in the minds of the Australian colonists and the Van Diemen's Land people to this new attempt at colonization; yet we felt, as a Board of directors, that it was a great national undertaking, and we had to make an experiment in the teeth of the animosity of our neighbours, and if we did not defend ourselves by providing means of support, we should be at the mercy of the neighbouring colonies as to the supply of provisions. We therefore sent vessels to the neighbourhood, and imported stock and provisions ourselves. I am sorry to say, in the first instance the company lost considerably from the dangers of the sea, and the difficulties of the navigation which we had to explore, it being altogether new. They had to encounter the loss and difficulty of exploring the first navigation. In the course of time progress was made in the navigation of the interior, and it was happily discovered that there were means of obtaining stock overland from the back settlements of New South Wales, which had run down across the Blue Mountains, along the course of the river Murray. Their location was within a short distance of the new colony itself; finding that to be the case, we urged every effort to obtain communication with them, and succeeded. From that period we have got our flocks and herds through the interior. Another object was to erect habitations for the coming emigrants.

365. What was the original capital of the company?—The capital that we have actually called up is 320,000 *l.*; the amount subscribed is 440,000 *l.*; there is yet to be called up 58,000 *l.*, making together 500,000 *l.*

366. What is the number of shares?—The number of shares, I believe, amount altogether to 20,000.

367. At what price did the company buy the land for which they paid the first 35,000 *l.* required by the Act of Parliament?—The company in fact did not purchase any land of the commissioners. I must explain that. The company did not exist when the remainder of the 35,000 *l.* worth of land was obtained. Three individuals joined their capital, for the purpose of purchasing from 9,000 *l.* to 10,000 *l.* worth of the original land, which they obtained in common with other purchasers at 12 *s.* an acre.

368. Has the company purchased any considerable quantity of land in South Australia since its formation?—Since that period they have purchased, I should think, about 40,000 acres.

369. At what price per acre?—At 20 *s.* per acre; there was nothing purchased under 20 *s.* an acre, except the original 35,000 *l.* worth.

370. Does the company now hold all the land which they have purchased, or have they sold any?—They have sold part of the land; not a great deal.

371. Can you state what amount they now hold?—We had at the last report 168 acres in the town and port of Adelaide, 134 acres of land at the new port, and about 34,000 to 35,000 acres of country land in various districts of South Australia, besides extensive buildings, stores, and other property.

372. Then the amount of land which has been sold by the company has been only the difference between what you now hold, amounting to about 36,000 acres, and the 40,000 acres you purchased?—I believe that will be found correct.

373. Can you state at what price they have sold the 4,000 or 5,000 acres which have been parted with?—I cannot state that. We sold three town lots at a considerable price, I suppose from 200 *l.* to 1,000 *l.* an acre, according to the position in which it stood. But one part of the system connected with the land was this: the company felt it to be deeply important to the interests of the new colony to send out a body of farmers, and they laid down this principle, that farmers should have a lease of lands for 21 years, with a power of redemption at a value to be previously agreed upon; the terms of rent were very low, from 2 *s.* to 5 *s.* or 6 *s.* per acre, and he might redeem the land during any interval of the 21 years. Then we proposed to double the capital; if he took out 200 *l.*, we should make it 400 *l.*, which should be a loan to him, to

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be repaid at given periods. It is in that way that we have let, I believe, about 25 or 30 farms on lease; we have still a large portion of our land unsold.

374. A large portion of the 36,000 acres is under lease to farmers, upon the terms you have mentioned?—Yes, a portion of it.

375. In what condition is the residue?—It is unappropriated, except by the flocks and herds of the company; the company has some farms of its own, upon which it first made the experiment of cultivation, in order to test the quality of the land, and to afford encouragement to farmers; the company were much better able to make the experiment than private individuals. In connexion with this subject, I beg to put in a letter which was received a few days ago from two of our farmers, who have been two years in the colony, and have tested the whole thing; they give a most impartial and interesting statement of their proceedings.

[*The Witness delivered in the same, which is as follows:*]

To the Directors of the South Australian Company, London.

Doringo Valley, Oxenberry Farm,
Onkaparingo, South Australia, 2 Sept. 1840.

Gentlemen,

At the request of D. M'Laren, esq. and W. Giles, esq. we give you a statement of facts experienced by us since our arrival in this colony; also our expectations for the future. We landed last 19th December 1839, and on the 25th went and took a view of the land, which was shown us by Mr. Randell, belonging to the South Australian Company. We made choice of four sections in Doringo Valley, about 22 miles from Adelaide, from which we have an excellent road, except about half a mile, which will in a few months be avoided by a bridge over the Horse-shoe or Onkaparingo River, where the township Nourlunga is begun, about three miles from the sea; from whence, by a serpentine course, it runs up to the township, and, by clearing the river of wood, a craft of from 10 to 20 tons might come up: this is about three miles from us, N.W. We have one spring of excellent water flowing above ground all the year, and at other parts of the valley we have got water at from four to eight feet. We arrived here with our families the 2d day of January 1840, have built our houses, houses for our men, dairies, outhouses, pigsties, stock-yards, cow-yards, cow-pens, sheep-pens, gardens, and fenced with posts and rails the length of one and a half section; have sown about eight acres of wheat, four of which we managed after the Devonshire plan, and we must say we never saw better; the other part is looking well, much better I believe than in England, if managed in the same way as done here; also 12 acres of barley, which was finished last week: it is, however, quite colonial, what in England we should call rough farming, but from having so many things to attend to, and willing to sow as much as possible, we have done it rough, but hope, *Deo volente*, the next year to manage better, as we are fully persuaded in an old proverb "the best is the best still." About one and a half acre potatoes, those above ground, cannot look better; have finished planting to-day. We have mangel-wurzel seed, and common turnips, with peas, beans, cabbage, carrots, &c. &c. all growing and looking remarkably well; as to the natural grasses, I believe they are much more nutritious than in England, also of a more mild nature, as we have nothing that is strong or rancid in the butter. For want of conveniences to take away the calves, as in England, we have been obliged to rear them with the cows; besides which rearing and family use, sold from 10 cows 49 lbs. of butter in seven days, and with three cows made 28 lbs. in seven days. As a proof of the enriching quality of the grass, we took up a pair of steers to work, four months ago, when one turned wicked, and by some hurt which it received, was obliged to be turned away again, but quite poor, and this week we have killed it good enough for any market in England. We have some heifers not yet calved, as good as can be shown, in quality and fatness. It would be called dangerous to calf so fat in England; as I have myself known many in England to die in such a state, but here we hear of nothing of this kind. It is a very healthy climate for all sorts of cattle and sheep. Our herd is now 64 head of cattle, one mare and filly. In February 1840 we bought 140 ewes; we have now living 139 ewes (one having died with water in the head); also 178 living lambs, having lost about 20 by native dogs and wet weather in the night. We have no doubt but at the end of twelve months we shall count 420 in all. With small flocks and attention, they will lamb twice in the year. These sheep and cattle are watched by day by our own children; when we receive the sheep in the evening by tale, and so deliver them in the morning. The cows, &c. we fetch ourselves in the morning, and let two of the boys watch them only by day. Our men are constantly ploughing with oxen, or cutting and getting home wood for fencing or building. We have been jack-of-all-trades, as tradesmen's wages were so extravagantly high, say 15*s.* per day for carpenters, bricklayers, &c. &c.

We are getting thickly inhabited in this quarter since we came here; it is beginning to have the appearance of an inhabited country, and I have no doubt but the industry of those who have used it will be rewarded with a fair profit. Four miles south of us in the Encounter Bay Road is the township of Willunga, where many men are employed in the slate quarries, which is said to be of an excellent quality. There is yet in this survey much good land unoccupied, as well as unsold, of rich black soil, and at different places veins of limestone, with plenty of wood; and we have no doubt but every experienced and industrious farmer could do much better with his capital here than in England. It is not treating the land or colony fair

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fair to judge of it by the generality of farmers now here; it is generally those that would not attempt farming in England, and yet they expect, if ever so ignorant or indolent, to make money here; but they must be mistaken; without a seed-time there will be no harvest, and if the land is not broken up we cannot expect to gather its fruits. I should rejoice to see many of my acquaintance here that are labouring in England under great rents, heavy taxes, and unfeeling tithe-proctors, so that with ever so much labour and carefulness they are still sinking, till all their property will be gone and leave their children pennyless; I am sure if they were here they would do well for themselves and the colony also. I find from one practical farmer that he had last year 60 bushels of barley per acre; it was the finest in quality I ever saw. I have seen very good samples of wheat, but in small quantities; hope to be better in information after harvest. Let no practical farmer be disheartened by any of those who have yet given the colony a bad name; it is from the navy, army, medical and shop-keeping farmers that such reports have gone home; they expected and made up their minds to be rich without having anything to sell; we have many of them here now. I wish the land was in better hands, but this must be the work of time. We shall be glad to hear of any of our acquaintance coming in connexion with the South Australian Company.

We have, &c.

(signed) *Charles Thomas Hewitt*,
William Colton.

376. Were the payments for the land you sold made in cash or in any other way?—Part in cash and part at a long term of credit. We have adopted the principle in selling land, of making the purchase-money payable at an interval of one to five, six, or seven years, so as to allow individuals time to raise the means of payment.

377. Have the payments in fact been made, or have you experienced much default in payment?—We have had no instance of default in any case.

378. What are your latest advices from the colony?—The letter I have delivered in is almost the latest, that is, the 2d of September; the company has advices up to some day early in October.

379. Lord *Stanley*.] You stated that you had sold some town lots at the rate of from 200 *l*. up to 1,000 *l*. per acre. What is the largest block which you sold in one lot at that rate?—I cannot state that.

380. When it has been sold, at what rate has it been sold, by the acre or by the square yard?—Both ways.

381. What is the largest price for which you have sold land amounting to an acre?—I should say at the new port, some acres have sold as high as 1,500 *l*.; but I should observe that the period of payment was very distant.

382. *Chairman*.] Was interest to be paid upon the purchase-money in the meantime?—I believe not.

383. Can you state the period at which payment was to be made?—I cannot, from recollection.

384. Was it to be by instalments?—By instalments, at so much per annum.

385. How much per annum?—If it extended over seven years it would be one-seventh.

386. Mr. *Wood*.] In equal annual portions?—I believe so.

387. What are the usual terms of credit in sales of land?—I think seven years.

388. Is that the longest term?—That is the longest term I am aware of in any instance.

389. Lord *Stanley*.] An acre of land was sold at the rate of above 200 *l*. a year, to be paid for in seven years?—That would be the case.

390. Lord *Mahon*.] How long was this after the period when the company purchased the land?—About three years and a half, or four years, since it was paid for.

391. *Chairman*.] Have you sold land in any other parts of the colony, not town land?—Yes.

392. At what rate has average land been sold in other parts of the colony?—I should think not more than 4 *l*. an acre; from 3 *l*. to 5 *l*. an acre may be taken as the general average.

393. The general average at which land, originally purchased at 1 *l*. or 12 *s*., has been sold in the colony?—Yes.

394. Lord *Stanley*.] Was there any difference made in the first purchase between lots contemplated as town lots and country lots?—Yes, the town lots cost more than that; some to the extent of 5 *l*. or 6 *l*., or even 14 *l*.

395. When

395. When you originally bought them?—Yes, that being the first cost, they were offered at auction afterwards, and the amount, whatever that might be raised to in the course of the sale, was paid into the emigration fund.

396. Lord *Eliot.*] But the company purchased no land under 1 *l.* an acre?—No, the company did not; three individuals purchased preliminary land, in order to form a nucleus for the establishment of the company; and that land, which was bought by the three individuals, and three ships which were purchased by one of the three, were on private account; they were purchased with this understanding, at least with the offer on their part, that should the company be established with a subscribed capital amounting to 200,000 *l.*, then they agreed to transfer the land, the provisions, stores, and fittings-up of the vessels to the company, at prime cost, that is, without charge of commission or anything else, except five per cent. per annum interest for the use of the money. That was the foundation of the South Australian Company: a capital was subscribed; this land and those ships were transferred to the company, and it thus came at once into operation.

397. Captain *A'Court.*] After buying that land at 1 *l.* an acre, you afterwards went into the market and bought land at 6 *l.* or 7 *l.*?—I believe the company, in some instances, did purchase at an advance, but not to any great extent.

398. *Chairman.*] Can you state what amount of the land which you have purchased is under tillage?—I should think from 200 to 400 acres.

399. Mr. *Hope.*] Do you mean that you think that there are no more than 200 to 400 acres under tillage in the whole 40,000 acres?—I mean in the hands of the company; there is a great deal more in the hands of the farmers.

400. *Chairman.*] But of the whole 40,000 acres purchased by the company, are you able to state what amount was under tillage at the latest advices?—I cannot correctly, but the letter I have delivered in will throw great light upon that subject; this is a report of one farm which may, I think, be fairly applied to others; there are from 25 to 30 farms held under the company.

401. Can you state what is the whole amount of land in the colony under tillage?—About 2,000 acres in the whole colony.

402. Mr. *Wood.*] Do you think that letter which you have put in from one of the farmers may be considered as a fair average report of the condition of the farms held under your tenure?—I should say that those men are very superior men: perhaps other farmers may not be expected to produce so good a report. I may observe, that the South Australian Company have received specimens of their grain of various kinds, and have some oats of a very superior production; the amount of produce is prodigious; we have the plant itself preserved in a glass case.

403. What is the present population of the colony?—I should say about 14,000, to which should be added the emigrants that have left this country in the interval, after receiving that report.

404. Do you make any deduction on account of emigration from the colony to other colonies in that part of the world?—I do not believe any emigration has taken place from South Australia to other colonies, except a few who have gone to New Zealand; probably from 20 to 25 persons.

405. What is the length of passage between the colony of South Australia and New Zealand?—About a month.

406. Is there frequent intercourse between them?—Very seldom; the South Australian Company has imported two ship-loads of timber from New Zealand for the purposes of building; there are three steam-vessels in Adelaide now for the purpose of trading with the other colonies, consequently hereafter the passage to New Zealand will be much less.

407. Does the colony grow sufficient grain for its own consumption?—I believe, according to the anticipation of the last harvest, which would be due in December last, it would afford grain sufficient for about a sixth or perhaps a fourth of the population, but it is very difficult to make a calculation of that kind; our letters were dated October, and considerable progress had then been made in the spring; as the growth is very rapid there, the harvest would probably be about December.

408. Did those accounts which you received, dated October, afford an encouraging prospect as to the coming harvest?—Very much so; I have seen one statement that expressed an opinion that there would be 60,000 bushels of grain;

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grain; and if that were so, that would be sufficient for the supply of the colonists.

409. For what period?—For the year.

410. Therefore, according to that account, the harvest was expected in October to produce a supply sufficient for the whole population of the colony for a twelvemonth?—That is one statement we have received; but I have given two accounts; one account which states that the supply was expected to be equal to about one-sixth of the consumption, and the other that there will be 60,000 bushels, which would be sufficient for the consumption of the whole colony for twelve months; but I have no means of testing the correctness of either; the first statement is from our own manager.

411. Can you state what the deficiency has been in the amount of corn grown in the colony, as compared with the consumption of the colony, for the last two or three years?—I cannot do that; the colonists suffered very serious damage in consequence of the procrastination in the surveys; so that neither the company nor the emigrants could obtain possession of their lands till last year.

412. Can you state the amount of the importation of corn during the last three years?—I cannot.

413. Has it been considerable?—It has been equal to the consumption of the colony.

414. Have they grown anything like the amount of their consumption, or have they been obliged to import largely?—They have been obliged to import largely for the purposes of consumption.

415. Is that likely to continue?—I think not; I expect that next year they will produce more than sufficient for the consumption of the colony.

416. Lord *Mahon.*] Is there any official account of the amount of grain imported into the colony?—I believe the customs return will afford that account, but we have no means of knowing it. I can state to a certain extent whence the importation was, for when the colony commenced, the first thing the company did was to import grain and flour, not only from the neighbouring colonies, but from Hamburgh; they sent out ships every three months with provisions from the Elbe.

417. *Chairman.*] What was the price of provisions at the date of your last advices; was it rising or falling?—Falling considerably; it was about one half of what it had been previously quoted at.

418. Can you state the prices of the ordinary articles of consumption?—I believe butchers' meat was as low as 6*d.* or 7*d.* a pound; but I can get information upon that subject if required.

419. With regard to what has recently taken place in the non-acceptance and protestation of bills drawn by the governor to a considerable amount, do you conceive that information of that circumstance reaching the colony will be productive of very serious evil?—I think so; a very serious evil indeed.

420. Will you state the nature of the evil which you apprehend, and the extent of it?—In the first place, I conceive that the immediate effect of intelligence being received of the dishonour of the governor's bills will be, that he will obtain no further credit, consequently he cannot pay the salaries of the officers, and there will be an end of the government, for gentlemen are not expected to work without pay. In the next place, the police will be discharged, and if the police be suspended, the property and lives of the inhabitants must of course be greatly endangered. There will be a necessity for the stoppage of the banks; for the banks cannot expose themselves to an issue of bullion to the extent of the demand in such a crisis. There will be a great panic amongst the inhabitants themselves; there will be a cessation of trade, excepting in the way of barter; in fact, it will reduce the colony to a state of barter. Again, if the information we have received be the correct one, as to the harvest of last December being sufficient only for one-sixth of the necessary supply of the colony, then it follows that they must import the deficiency; and they will have no means of doing this for want of credit; they will have no means in fact of purchasing anything. There will be an end to all employment of labour, because there will be no means of paying the wages of labour. Another effect likely to follow is, that shepherds, and those who have charge of the flocks and herds in the colony, will of course be discontented without pay; they will become indifferent to the charge committed to them, and the flocks and herds are likely to be

be dispersed. And what is far worse, I apprehend there will be an emigration from the colony. I have reason to know that there is a plan now forming, in anticipation of the ruin that is coming upon the colony, for the purpose of sending ships to Adelaide, to take away the men who may be sent adrift by the cessation of employment. In fact, it will be a state of things attended with the most horrible consequences. What will be, perhaps, more manifest than all, is the feeling of displeasure in the minds of the colonists themselves, at what they will deem the very cruel course of proceeding that has been adopted towards them, being conscious that they have done their duty; they have been active, laborious, and assiduous; and while they have done their duty, they have had no control over the finances of the colony, nor over its government; and consequently whatever financial difficulty has arisen, it has been beyond their means of control, from measures in which they have not participated, and for which they are not answerable; under these circumstances, they will naturally feel indignant at the conduct of the mother country, or of the government which has suffered them to be placed in such a distressing situation. I apprehend that such will be the natural consequences resulting from so serious a matter as a colonial bankruptcy.

421. To what part do you apprehend that the bulk of the inhabitants will emigrate?—They will emigrate, I think, to Port Phillip in the first instance, or anywhere else where parties choose to send vessels to take them off.

422. Mr. *Wood.*] Do you consider it probable that the evils which you have been describing will go on increasing in an accelerated ratio the longer the remedy is delayed?—Clearly so.

423. *Chairman.*] When did you first become aware of the financial difficulties of the colony?—On the 10th of September 1840 I was first aware of a bill being refused acceptance; that was the first time I was aware of any bills having been refused acceptance.

424. At that date you were made aware that the commissioners had refused payment of a bill, on the ground of their having no assets out of which they could pay it?—Yes; on the 15th of September I wrote to the manager of the South Australian Company, informing him of the fact, and stating at the same time that I believed the commissioners would not allow the colony to be destroyed for want of assistance, and I gave him reason to anticipate that it was a case so clear and manifest, that no government could refuse assistance under such circumstances; that he must calm the minds of the colonists, and prepare them to expect assistance from the Government; as I did not apprehend that any serious evil would arise, and I told him, that as two months must elapse before the bills would be at maturity, I believed that then they would be all paid. I wrote about five days after I had received intelligence of the first bill having been refused acceptance.

425. After you heard of other bills coming in and being refused upon the same grounds, did you address any further communication to the manager of the South Australian Company in the colony?—Two days after I wrote to Mr. Maclaren, I addressed the Bank manager to the same purport. On the 23d of that month I wrote to the governor, Colonel Gawler, expressing the same confidence, in order to allay the anxiety which would naturally arise from the intelligence. On the 17th of October a memorial was sent to Lord John Russell, from parties interested in the colony, merchants and others, and from the South Australian Company. On the 23d of October I wrote a letter to Colonel Torrens, which might be considered partly private and partly official, respecting the danger that was likely to result from the continuation of that state of things. On the 24th, that is, the next day, I wrote to Lord John Russell, in my own name, fully upon the question, stating in strong terms the danger that would result from delay, and urging immediate assistance.

426. What was the nature and extent of the assistance you asked for?—That I left to the Government. It was not for me to dictate to the Government what steps they should take.

427. You did not state any amount which you thought would be sufficient?—Not at that time, but a few days afterwards; on the 23d of November a deputation had the honour of waiting upon Lord John Russell, when the whole case was entered into. Upon that occasion his Lordship was anxious to afford support, and the deputation had reason to believe that instant assistance would be obtained. I have stated that there was sufficient time if assistance were

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immediately given, to meet the bills before they became due, but my greatest anxiety was to prevent their being returned to the colony.

428. Up to the 3d of November, no bill had actually been returned to the colony protested for non-payment?—Not any that I am aware of. I can state the day on which the first bill was due.

429. Lord *Mahon.*] Colonel Torrens has stated that the first bill, the acceptance of which was refused, was presented on the 24th of August, and became due on the 26th of October?—I have not information of that. I was not aware that any bill had been at maturity at that time. The next day, the 4th of November, Lord John Russell saw another deputation on the same business, and it was understood that assistance would be immediately afforded to the commissioners to pay the drafts at maturity, and to go on with the operations of the Board. On the 9th of November, by the first ship that sailed, I wrote to Colonel Gawler stating the result, naturally expressing a confident hope that all would be well, and desiring that the fears of the colonists might be allayed; as I had no doubt everything would be right. I also wrote to my own agent in the colony, and stated my opinion that all would go on well. Again, in relation to these bills, I felt the matter to be of such extreme importance, not merely to myself as an individual, but to the great experiment that had been going on in South Australia, that I sent out to Adelaide a special agent in my own service, to endeavour to allay the anxieties and apprehensions of the colonists. I thought that measure essentially necessary for the well-being of the colony, and for the security of my own personal property.

430. *Chairman.*] When did he leave England?—His despatches were given to him upon the 27th of November.

431. What was the nature of the assistance which, at that interview with Lord John Russell, the deputation pressed upon the Government, and which the Government gave them reason to hope they would receive?—The nature of the assistance was this; that as the commissioners had obtained 80,000 *l.* of the loan of 200,000 *l.* empowered by Act of Parliament, the Government should guarantee the remainder of the loan of 120,000 *l.*; that it could be raised if the Government guaranteed the loan; 120,000 *l.* at that time was considered sufficient to extricate the colony from all its difficulties.

432. Then you at that time entertained no doubt, but that with a guarantee from Government, the entire money might be raised?—I was persuaded of it, and at a low rate of interest.

433. Are you aware of a letter addressed a few days after that, by Lord John Russell, upon the 5th of November, to the commissioners, authorizing them to raise a loan of 120,000 *l.*, accompanied by such guarantee?—I am quite aware of it.

434. Are you aware of the failure of the commissioners to raise that loan?—Yes.

435. Are you able to reconcile that failure with the opinion which you entertained of the practicability of raising such a loan?—I can only state my own view. I must have authentic documents to enable me to form a correct judgment upon the question, but my opinion is, that there was some misunderstanding with respect to the guarantee to be given for the loan.

436. Lord *Stanley.*] Some misunderstanding on whose part?—I think on the part of the capitalists in the city.

437. *Chairman.*] Did you see the advertisement put forth by the commissioners, advertising for the loan?—I did.

438. Did you think the advertisement clearly expressed the nature of the guarantee offered by Government?—So I thought; but I understood on Change that there was a great difference of opinion upon the question in the city. I refer particularly to one distinct case: I was told by a merchant, that there was a company which had a large sum of money at its command unemployed, which was ready to come forward at once with a loan of 120,000 *l.*, at, I think, 4 per cent. provided that Parliament would guarantee the loan. Their deed of settlement I believe restricted them to that condition.

439. *Chairman.*] That was an assurance company which was restricted from lending any money unless an Act of Parliament had actually been passed guaranteeing the loan?—Yes.

440. Did the South Australian Company tender for the loan?—They did not.

441. Did they make any offer at any period to advance the money?—Yes; I was

I was authorized to do so by a Board-minute of the South Australian Company on the 27th of November.

442. Was this subsequently to your having ascertained the failure of the commissioners to raise a loan in pursuance of their advertisement?—I conceive it was.

443. They had made no tender within the time fixed in that advertisement?—Not any.

444. Will you read that minute?—"Resolved, that Mr. Angas be requested to state to the commissioners the company's wish to assist them in their present difficulty, suggesting that the company might be able to raise for them about 50,000*l.* on debentures, for six months." I went up with this resolution to the commissioners, and I was met with a note from Colonel Torrens, stating that an arrangement had been made with the Bank of England.

445. Was that the only offer made on the part of the South Australian Company?—The only offer.

446. Are you aware of any other offer made at any time to advance this loan, or any portion of it, without referring to the communication with the Bank?—I am not aware of any having been made; I do not think any was made; because of the misunderstanding in the city as to the nature of the guarantee that was offered.

447. You were not subject yourself to that misapprehension; you thought the terms of the advertisement explicit and clear?—Yes; I had no apprehension myself.

448. But you believe that a misapprehension existed generally in the money market in the city?—I must say that I think there was a very great prejudice in the city against the colony itself. The state of the colony had been very seriously misrepresented; and I think that had a great deal to do with the difficulty in obtaining a loan.

449. Lord *Stanley*.] When the Australian Company offered to procure 50,000 *l.* upon debentures, did they offer to do it upon the security of the colonial revenues, or upon the guarantee of the Government?—They would have taken it upon the guarantee of the Government, precisely according to the terms of the advertisement.

450. At what amount of interest did they offer it?—That was a matter of negotiation. I was empowered to negotiate with the commissioners on that subject.

451. Mr. *Parker*.] When you heard of the failure of the negotiation with the Bank of England, did you attempt to renew your offer?—No; because the friends who had offered their assistance when I was authorized to negotiate with the commissioners, had in the interim, in consequence of my telling them that the loan had been obtained from the Bank of England, invested their money in other securities; and when I applied to them the second time, the answer was, We were then prepared to go into the thing, but now the money is invested in other securities.

452. *Chairman*.] How long was that after they authorized you to make that offer?—I think it was about the end of December.

453. How soon were you made aware of the failure of the negotiation with the Bank?—I cannot recollect the day, nor how I got the information.

454. Did you, immediately you knew that the negotiation with the Bank had failed, attempt to procure a renewal of the offer you had before made of 50,000*l.*?—I did, by application to the individuals who had offered their assistance.

455. Did they assign any other reason for refusing it than that which you have just mentioned, that they had employed the money in some other way?—Not any other.

456. Mr. *Gladstone*.] When you went to the commissioners to negotiate the terms, were you empowered to negotiate on the terms of the advertisement?—I conceive I was, subject to the approval of the Board.

457. With respect to the amount of interest, what was agreed to?—That was a question to come under consideration; it would not exceed six per cent.

458. Mr. *Vernon Smith*.] Do you really believe that if there had been any readiness in the market to undertake such a loan, there would have been any difficulty about the guarantee offered in the advertisement?—I think there would

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would have been no difficulty in that proposal being accepted by the public, provided there had not existed very great prejudice in the city against the colony itself.

459. Mr. *Wood.*] Were there sinister reports afloat in the city regarding the pecuniary condition of the colony, which produced a reluctance to comply with the terms of the advertisement?—Yes, very considerable.

460. *Chairman.*] How long have those sinister reports been in circulation?—Ever since the colony began.

461. Do you mean to say that the credit of the colony was never good in the city?—I mean to say that there has been an unceasing prejudice and animosity in the city against South Australia from the day it was first established.

462. Do you know whether there has always been a difficulty in raising the money which the commissioners were authorized to raise under the Act of Parliament?—The commissioners have only, I understand, raised two loans, amounting to 80,000*l.*, and those loans were raised in the early history of the colony at a very high premium; the first of 10 per cent., and afterwards reduced to six per cent., at a time when there was not a single pound or a single person in the colony. After the colony became established, if it had not been for this animosity, and these rumours, money might have been raised at four to five per cent.

463. Independently of the cause, do you mean to say that the credit of the colony has always been low in the city; that a difficulty has always been experienced in raising money upon the revenues of South Australia?—I do not think that the credit of the colony has been low in the city, unconnected with the existence of the prejudice to which I have referred.

464. Irrespective of the cause, do you think that, from whatever cause, there has been an indisposition in the city to lend money on the credit of the revenues of South Australia?—I think not; I think that South Australia has stood very high in the commercial world.

465. When did those sinister reports first begin to operate in the city, so as to create an indisposition to lend money on the credit of the colony?—I have already stated that prejudice has existed from the beginning; but latterly I conceive it originated in the information having been received of the large expenditure of Colonel Gawler; that was the origin of the last rumour.

466. You think that notwithstanding the prejudices which exist in the city against the colony, there would have been no indisposition, prior to the accounts reaching this country of this excessive expenditure, to advance money on the security of the colony?—I think not; but that is a question of which I can form only a very loose opinion.

467. Mr. *Wood.*] When intelligence arrived in this country of the amount of expenditure going on in the colony, which produced, as you have said, a feeling of distrust which had not previously existed in the city, were those feelings of distrust created by an apprehension that the expenditure might embarrass the local government there in its financial operations, in consequence of not having the means of meeting the expenditure that was going on?—Not in the minds of sensible and thoughtful men, but clearly in the minds of men in general, who were more influenced by prejudice and current reports, than by a minute investigation into the state of the colony.

468. *Chairman.*] Do you mean that the account of that excessive expenditure created no uneasiness in your own mind as to the effects upon the credit of the colony?—Not any. From the high opinion I entertained of Colonel Gawler's sound judgment and discretion, my notion was that he had taken the right course, and that he had incurred an extraordinary expenditure in the critical position of the colony, arising chiefly from its unexampled increase of prosperity.

469. Were you aware not only of the excessive expenditure, but also of the actual resources in the hands of the commissioners to meet those bills as they came in?—I was not aware of the resources of the commissioners to meet those bills. I knew that there was a very large amount of emigration fund, I conceived about 80,000*l.*, but I had no access to the books of the commissioners, consequently I could not tell what their resources were; but I supposed that they ought to have resources in hand to a large amount, not only from the revenue of the colony, but from the large sums that had been paid into the emigration fund. I conceived, therefore, as the last Act authorized them to borrow

borrow from the emigration fund, that they ought to have had sufficient means to meet those drafts.

470. Have you had any advices from the colony with respect to that excessive expenditure, so as to enable you to form an opinion whether it was likely to continue at the same rate up to the time when Colonel Gawler received instructions from home, stopping it?—The company have received a communication from the colony expressing the opinion of their manager upon the excessive expenditure of the governor at the time of its commencement, and during its progress for three months. It was stated, that the expenditure was considerably larger than it ought to have been, and had excited considerable anxiety in the colony; and he expressed regret that there was no means of controlling it, because the whole power of control was in the hands of the governor; but at the same time he expressed this opinion, that the expenditure seemed to be called for by the circumstances and situation of the colony; that it was judiciously made, and that Colonel Gawler would be able to justify himself to the Government in the course he had adopted.

471. What was the date of that communication which stated the existence of anxiety and apprehension in the colony itself, arising out of this excessive expenditure?—About June last.

472. Was there any opinion conveyed to you as to the probability of the governor not being able to get his bills discounted, if he went on at the same rate?—Yes, a very strong opinion.

473. When was it likely that that circumstance would operate as a check upon the expenditure?—I should think about October or November last.

474. Do you mean that you think that in October or November a check would have been placed upon this excessive expenditure, by the impossibility of the governor getting his bills discounted?—I think the last letter I alluded to was dated October, and at that time an opinion was expressed that the governor would not be able to raise money by drafts upon England.

475. You stated that, up to the 27th of November, the communications which you sent to the colony, by letter and by a special messenger, were of a nature calculated to keep up the credit of the colony, by encouraging an expectation that assistance would be afforded?—Yes, and that was the tenor of my instructions to the agent I sent out.

476. Have you addressed communications of a similar nature to the colony subsequently to that period?—I have not written by any vessel since that gentleman sailed, and I believe no vessel has gone direct; some are going next week, and if intelligence of a different state of things should then be forwarded, it would prevent nearly all the mischief; not altogether, for some inconvenience must arise from the present state of things; but it would prevent the awful crisis which I anticipate from further delay.

477. Will you state what you mean by "intelligence of a different nature"?—That Government have afforded the means of paying those drafts, and also of replenishing the emigration fund.

478. Have you subsequently to the date of the interview of which you have spoken, in November, addressed any communication to the Secretary of State, as to what you conceive to be the probable results of this financial crisis in the colony?—I have not.

479. Did you inform the Secretary of State that ships, after an interval of two months, were about to sail to the colony, and that you considered it important that some communication should be conveyed by them?—I did not.

480. Lord *Eliot.*] Have many protested bills been already returned to the colony?—I believe very few, not more than two; I think most of the holders in the city would be likely to call upon me to know the state of things; I have invariably recommended them to retain the bills; the danger incurred from such a course of proceeding has been noticed, as they were liable to a certain extent, but I was so confident that Government could not refuse assistance, that I suggested to them the propriety of holding the bills, and I believe they have done so, with the exception of two, and those are in the hands of Sydney merchants; two or three months will elapse in the process of those bills, before they can reach the colony, and intelligence by a ship going out next week will reach Adelaide before those bills are presented for payment.

481. Do you believe that protested bills to a considerable amount will be sent out by the ships now proceeding to the colony?—I have no doubt of it.

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482. Lord *Mahon.*] What is the amount of the two bills you mentioned?—About 2,000*l.* or 3,000*l.*

483. Mr. *Gladstone.*] What special circumstance induces you to believe that the parties who have continued to hold the bills up to the present moment will next week find their patience exhausted, and send them back to the colony?—Two reasons may be assigned for that; one is, that they incur increasing personal responsibility by continuing to hold the bills. There is a very strong inducement on their part not to send the bills back because they want the money here, and if they send the bills back to their correspondents in Sydney, they will incur a charge of 20 per cent., and the return of them may involve the parties here and abroad in a dispute.

484. Would not the latter of those considerations induce the parties to go on holding the bills?—I should not hold them any longer if I were in their situation.

485. Do you think they have gone as far as they are justified in going, under all the circumstances, in holding them up to the present time?—I cannot decide that question; I am afraid their patience will be exhausted.

486. Mr. *Wood.*] May not many of the bills be in the hands of persons who would lose their legal claim upon the parties from whom they received them, if they went on holding them?—I think so; they are morally justifiable, to a certain extent; they have held them in the confident hope that they will be able to retire them, but now the delay having been so long there is danger of their losing their ground of justification.

487. Mr. *Vernon Smith.*] Will you state why you, having hitherto advised those parties to hold those bills, think that matters have so altered at the present moment as to make it desperate for them to hold them any longer?—I cannot answer that question; I have no personal responsibility in the matter; I have advised with them as a friend; and have told them candidly what I thought of the case, they presuming that I knew more of it than they did; still they will take their own course; there is an increasing anxiety in the minds of the holders of the bills, which is often expressed to me, and every day increases that anxiety; this induces me to think that they will scarcely be persuaded to hold them any longer.

488. Lord *Eliot.*] In addition to the reasons you have stated, is it not natural that they should continue to hold the bills till the meeting of Parliament, in the expectation that Government would guarantee a loan, and that upon finding that such recommendation has not been made, their view of the case may be altered, and they may be induced to return the bills to the colony?—I think they will consider themselves in danger of losing the moral ground they now hold in relation to the trespass they have already committed in respect of the bills.

489. Mr. *Wood.*] Are commercial men likely to distrust authority being given by Parliament to the Government to make provision for these bills, when they see week after week pass away after Parliament has been assembled without any such recommendation having been made, judging of them as commercial men influenced by commercial views?—I must state as my opinion, that commercial men in the city are extremely dissatisfied with the position in which they are placed by those bills, and have expressed a strong feeling against the conduct of the Government in the case, not understanding so well as I do the difficulties in which the Government has been placed; but they will act according to the light and knowledge they possess, not according to the facts of the case; and acting upon the impressions of their minds, and being surrounded by men who are eager to embrace the present opportunity of damaging South Australia, it is natural that their feelings should get the better of their judgment.

490. Lord *Stanley.*] What are the peculiar difficulties to which you advert that the Government has been placed in, which other gentlemen do not understand?—I cannot enter into the secrets of office. The difficulty I conceive to be this, that the guarantee which the Government has proposed to afford as a means of raising the loan, has not been successful in obtaining the loan, the reasons for which I am not able to divine.

491. Would that have rendered it difficult on the part of the Government to come down upon their own responsibility to Parliament, and make application

tion upon the first opening of the Session, if they had so thought fit?—Certainly not.

492. You do not see that there would have been any difficulty in the way of the Government taking that course if they had thought it a justifiable course?—I cannot answer that question without referring back to the impressions in the city respecting the nature of the guarantee which has been already offered, and which has failed in obtaining the money.

493. Mr. *Parker.*] Do you happen to know that the motion for the appointment of this Committee was announced within a few days after the meeting of Parliament?—Yes.

494. Lord *Stanley.*] Do you think the reference of the whole subject to this Committee tended to relieve or to increase the anxiety felt by the holders of those bills?—To relieve their anxiety.

495. Do you consider that the reference to this Committee tended to relieve their anxiety to a greater or less extent than it would have been had the Government applied directly to Parliament to sanction the loan?—I think that is more of a political than a commercial question; I cannot answer it.

496. Mr. *Wood.*] The Government not having so applied to Parliament, and it being known that the Bank of England had declined to furnish pecuniary assistance, is it not very natural that great distrust should exist amongst commercial men in the city as to whether aid will be afforded or not?—I think so.

497. Lord *Mahon.*] When you state that the bills will go out protested next week in considerable number, do you speak from conjecture, from your judgment of probabilities, or have you decided information from the parties interested, that such will be the case?—Not having communicated with the individuals upon that specific question, I cannot positively speak to it; my conviction is, that the parties to whom I alluded, who hold a large amount of bills, will send them out.

498. You speak from conjecture, and your judgment of probabilities?—I speak from conversation with individuals with whom I have spoken upon the subject.

499. *Chairman.*] Do you know whether the holders of those bills expect that funds will be provided for the payment of them?—I believe firmly they do expect it, in consequence of the hopes which I have felt it my duty to hold out to them, without taking upon myself responsibility, merely advising with them as a friend who would give the best advice he was capable of doing under the circumstances of the case.

500. Do you entertain any doubt upon the subject yourself, that funds will be ultimately provided for the payment of those bills?—I cannot conceive of the possibility of a doubt under the British Government.

501. Do the parties with whom you have communicated, and to whom you have imparted that opinion of yours, which you have stated, entertain any doubt upon the subject?—I am not able to speak to that; I think they have very great suspicion that all is not right, but I suppose they are influenced by reports out of doors. I speak from my own knowledge of the resources of the colony; and the case having been brought before a Committee of Parliament, I conceive it is impossible, after the investigations of this Committee, that assistance can be withheld.

502. Do you think that, independently of the investigations of this Committee and a full examination into the resources of the colony, those doubts would exist?—I cannot answer that question.

503. Mr. *Wood.*] Is it your opinion, founded upon an intimate knowledge of the condition of the colony, that if Parliament were to recommend an advance of money to relieve the present difficulties, the revenues and resources of the colony would be an ample indemnification to the country for such guarantee?—I have not a shadow of doubt of it.

504. What sum of money do you think would be adequate to relieve the Government of the colony from all existing embarrassment?—If a loan of 120,000*l.*, making up the 200,000*l.* authorized by the Act of Parliament, were raised and guaranteed, I think that would be sufficient to carry the colony through its present financial difficulties; but then it is necessary to return to the emigration fund the 80,000*l.* or 90,000*l.* which have been borrowed from it; it might be necessary, in addition to that, to give the commissioners the power of raising a further loan of 120,000*l.*, making altogether 240,000*l.* If properly managed, all may not be required to be called up; but they should have

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have the power of doing so. Therefore, in the first instance 120,000 *l.* should be raised immediately, and there should be authority to raise 120,000 *l.* more at a future day, if required. That would entirely emancipate the colony from its financial difficulties; and I am confident that one year's production of the colony would be sufficient to pay the whole of the colonial debt and the money proposed to be borrowed. I think that one year's produce of South Australia would pay off the whole of its debt.

505. *Chairman.*] Do you mean one year's revenue?—No, one year's produce; the last quarter's revenue amounted upon the average to about 29,000 *l.* a year, and that was not more than a taxation of 30*s.* a head; now in New South Wales it amounts to from 3*l.* 10*s.* to 3*l.* 17*s.* a head; there is therefore no doubt that they could double the revenue of the colony to meet the payment of the interest upon the past and future loans.

506. Mr. *Wood.*] Supposing Parliament were to authorize that assistance should be given to an amount not exceeding in the aggregate 240,000 *l.*, within what period do you think the revenues and resources of the colony would enable that money to be repaid without an injurious pressure upon the colony itself?—I conceive in five years, provided the colonists were allowed a control over the expenditure of the colony; I think it is rather too much to expect them to raise large revenues in the colony when they have no control over the expenditure, especially as that is at their own cost; with economy, and a proper colonial control over the expenditure of the colony, in five years the whole of the existing debt and what is now proposed to be contracted might be paid off. In connexion with that, I would state that some alteration should be made in the appropriation of the emigration fund; the colonists have hitherto, not only had to bear the expenses of the government and to import provisions for one or two years in consequence of the delay which has arisen in obtaining possession of their lands, but they have had to employ their capital in building houses to a great extent, besides the importation of stock, furnishing their houses, and the improvement of their lands. Henceforth they will not have to resort to such modes of expenditure. This having been done, they are now free to proceed unfettered, and will be able to raise the means of paying off their colonial debt.

507. *Chairman.*] What is the nature of the alteration you would propose in the application of the emigration fund?—By applying a part to the improvement of the colony in roads, bridges, and wharfs.

508. Do you mean that instead of the whole of the land sales being applied to emigration, a portion of it should be applied to the improvement of the colony?—Yes; I suppose that about one-fourth of it should be applied to public improvements. The emigration fund, as will be obvious to the Committee, has been more than sufficient for the wants of the colony. Now at this moment you have 14,000 or 15,000 people in the colony, and 90,000 *l.* in hand to carry out more. It is clear that the introduction of emigrants so quickly into the colony has had a tendency to increase the demand for labour, in requiring so many new houses to be built for their accommodation, and in the supply of that population with provisions. If the emigration had been a little slower, they would have been in advance of their supplies of food and demand for labour. I conceive therefore, if one-fourth were taken off the emigration fund, and applied to public improvements, the residue would be sufficient for all the purposes of emigration.

509. Lord *Fitzalan.*] Is it not possible that after this crisis there may be a less desire to purchase lands in the colony?—That is very likely.

510. Therefore the emigration fund would be less?—Yes, but I conceive that public improvements, such as roads and bridges, are essential to the very existence, or at least to the progress of the colony.

511. Mr. *Vernon Smith.*] Do you calculate upon a continuance of the public works upon the present scale of expenditure?—I think no public works of the nature I have referred to, have been undertaken by the government. The extraordinary expenditure has been in government houses, and other buildings, such as gaols, prisons, and courts of justice, and in the police.

512. Mr. *Gladstone.*] And in wharfs?—Not wharfs; the wharf was constructed by the South Australian Company.

513. Mr. *Wood.*] In estimating the capability of the colony to repay the money, do you calculate upon a continuance of emigration to anything approaching

proaching the extent upon which it has hitherto been going on, as necessary to fulfil your expectations?—No, I do not calculate upon any considerable increase as necessary. An increase of population will take place, but I do not think it is necessary to the production of resources sufficient to meet the responsibilities of the colony.

514. Do you look to its being necessary to impose any direct taxation to any considerable extent, to enable the colony to repay the advances which may be made?—I conceive so, not to a considerable extent, for they already raise at the rate of 30,000 *l.* a year, which is a great amount for a colony that has only been one year emancipated from the necessity of importing its food.

515. Do you think the colony sufficiently advanced to admit of direct taxation being had recourse to without much injury to its prosperity?—I think so, because the production of its flocks and herds has been extremely profitable, independent of other things.

516. *Chairman.*] Is not the taxation, according to your account, now at the rate of 2 *l.* a head?—30 *s.*

517. You state that the taxation is at the rate of 30,000 *l.* a year, and that the population is 15,000?—I took that calculation when the population was smaller.

518. Would not that increase the rate of taxation per head?—The income when last quoted was much larger than when it was formerly quoted.

519. At what period did you take the calculation at 30,000 *l.* a year?—In the last quarter for which the returns have been received.

520. At what period did you take the population at 15,000?—At the last accounts.

521. Do you believe that the population was 15,000 at the time when the revenue was at the rate of 30,000 *l.* per annum?—The population was only 14,000, and the other thousand were expected to arrive in the next ships.

522. To what extent do you think there might be a reduction in the expenditure of the colony which you think would be the result of colonial control?—All those expensive buildings which have caused the additional expenditure having been completed, of course the expenditure for those will be saved.

523. Do you think there could be any material reduction in the ordinary current expenditure of the colony irrespective of those works which were undertaken owing to the infancy of the colony?—I think a considerable reduction might take place in the police; it has been an unreasonable pressure upon the colony to oblige it to have a police strong enough to resist the influx of convicts from the interior, which causes the necessity of that establishment.

524. Mr. *Vernon Smith.*] Do you think the increase in the salaries of public officers was necessary?—I am not acquainted with the rate of increase of the salaries of public officers; I should say that was unnecessary.

525. *Chairman.*] Are you aware of the grounds upon which the increase was applied for and sanctioned?—I am not aware of that.

526. Lord *Eliot.*] Have not the surveys been carried on in an unnecessarily expensive manner?—I conceive so; I believe, however, that the system of special surveys has caused it; how far that might be lessened I cannot say.

527. Is not the system of special surveys therefore objectionable?—I am of opinion that it has been beneficial to a certain extent; but if continued, it would be injurious.

528. Lord *Stanley.*] Have the South Australian Company availed themselves of the power of having special surveys?—Yes, in several instances.

529. To what extent?—To the extent of four or five special surveys.

530. Mr. *Wood.*] Has the money which has been laid out in public works been laid out judiciously, according to your opinion, supposing that funds had been available for defraying the expense?—I think, in one instance, injudiciously; I cannot understand how buildings can be necessary to the extent of an outlay of 25,000 *l.* for a government house and offices.

531. *Chairman.*] When did that outlay take place?—I suppose it has not yet taken place, but I understand the commissioners have authorized an advance of one-half towards it.

532. You stated that you thought that in five years the revenues of the colony would be sufficient to pay off the advance of 240,000 *l.*, paying interest

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upon it in the meantime, and to provide for the current expenditure of the colony; are you able to state to the Committee upon what calculation that is founded, and what, in your opinion, would be the amount of the current expenditure of the colony during those five years?—I submitted a proviso when I stated my opinion, that there should be a check upon the expenditure by the colonial public.

533. Assuming that check, what do you consider would be the amount of the current expenditure of the colony for those five years?—I cannot answer that question; I conceive the current expenditure of the colony might be considerably reduced, I suppose to the amount of 40,000 *l.* to 45,000 *l.* a year.

534. What would you state as the amount of the current expenditure remaining after that reduction, which it would be necessary to provide for out of the revenues of the colony?—I cannot go into the items of the expenditure, as I have not made a distinct statement of it in relation to this question; but I may just allude to the grounds of my opinion for expecting that the colonial debt might be paid off in five years. It is simply this: from the exportation of sheep's wool, of hides and goats' hair, and the productions of the harvest; the exportation of oil and whalebone, and the natural increase of sheep, cattle, horses, and so on, besides the rent of houses and the interest on capital employed in the colony, I conceive the income of the colony will be about 300,000 *l.* or 400,000 *l.* a year. This is a real increase there to the holders of property; and I consequently argue that they can very well afford a portion of it for the purposes of revenue and the liquidation of the debt.

535. Have you not stated that 60,000 *l.* is the sum to which you think the revenue might be raised?—I have; but I am now speaking of the means of paying off the colonial debt.

536. Do not you contemplate that the payment of the debt will come out of the revenue?—I think that means may be adopted; besides the creation of a fund for the purpose of liquidating the debt by degrees.

537. Independently of the ordinary revenue?—Yes.

538. Do you mean that means could be provided otherwise than by taxation?—Of course it must be by a certain mode of taxation.

539. What is the extreme annual amount to which you think taxation could be carried during those five years?—I cannot answer that question.

540. Then the statement you have made to the Committee as to the probability of the payment of the loan in five years, is founded upon no certain data?—Except from the increase of flocks and herds, and the productions of exports, and the capital in the colony.

541. Which you think would enable the inhabitants to bear a larger amount of taxation?—Yes.

542. Mr. *Wood.*] Do you mean an amount of taxation sufficient to pay the loan and the necessary expenses of government, or do you contemplate raising part of those supplies by a fresh loan to pay off the loan here?—I do not propose to raise a fresh loan to pay off any former loan.

543. But to raise the whole sum by taxation?—I think the thing is practicable; but I would qualify what I have said by one or two observations. It must be remarked that South Australia is at this moment in a very critical position; and, like every new country, is dependent upon public opinion. If Government should decline to foster the colony, or if public opinion should be strong against it, it is impossible to make any positive calculation as to its future progress. I merely take it as it now is, with the supposition that the colony will progress, as it is natural to expect it will do so, with the present capital, which I consider to be about 2,500,000 *l.*

544. *Chairman.*] If you cannot state the amount of revenue which will be raised, can you state the amount they will have to provide for during the next five years, including what you conceive to be the necessary expenditure of the colony, and the repayment of the loan, with interest?—About 50,000 *l.* to 60,000 *l.* a year.

545. Do you think that 50,000 *l.* to 60,000 *l.* a year would pay the interest of the loan, would pay off the loan by instalments, and would provide for the necessary expenditure of the colony?—Yes; provided that one-fourth of the emigration fund should be applied to the improvement of the colony, with a sinking fund.

546. Lord *Howick.*] If the progress of the colony continues, you must contemplate that both the expenses and the revenue will largely increase, but you hope that the revenue will increase in a larger proportion than the expenses?—I do not think the expenses ought to increase materially, except in the surveying department. I can see no reason why the expenses of the colony should increase if the population does, unless the increase should be very large indeed.

547. Lord *Mahon.*] Is it not probable that an extraordinary impulse was given to the revenue by the large expenses incurred on behalf of the government; and now that those expenses have ceased, is it not probable that a diminution instead of an increase of revenue will follow?—It is probable that a diminution of the revenue may follow for a time from the present financial difficulties; but I do not think that effect will arise from the cessation of expenditure on the part of the government in those public works.

548. You do not think that a great impulse has been given to the revenue by those public works?—I cannot conceive so, because there are no duties upon the import of timber, or any materials used in buildings.

549. Mr. *Hope.*] Were you rightly understood to state that a reduction in the expenditure might be made to the amount of 40,000 *l.* a year?—I did not intend to convey that idea; I understood the question to be, what amount of expenditure would be necessary during the year; that is to say, what amount of revenue would be necessary to meet the expenditure, and I stated, that I thought from 40,000 *l.* to 60,000 *l.* I conceive that the expenditure thus far would not have been so large, if there had been a check in the colony; and I alluded to a letter from the colony, stating regret that they could not check the expenditure then going on.

550. Mr. *Wood.*] In the opinion you have given as to the resources of the colony, do you consider it to be necessary that the boundary should be enlarged so as to bring a considerable quantity of fertile land of the first class within its extent, in order to enable it to meet those expenses of which you have been speaking?—I have made my calculation on the principle of the present boundary of the colony, and I do not think it is necessary to extend the limits of the colony for the sake of its resources. How far it may be expedient, in a political point of view, is a question which I leave to be determined by those who understand the subject better than I do.

551. Lord *Howick.*] You were understood to say, that if the financial difficulties of the colony should continue to be aggravated by the return of a great number of protested bills, you apprehended that many of the present settlers in South Australia would be induced to leave it for other colonies?—I expressed that opinion.

552. As the passage of those persons has been paid for by the colony, their leaving it would be in fact equivalent to its losing the sum expended in the cost of their passage?—Clearly so.

553. You also stated that the return of the bills would lead to an additional charge of about 20 per cent.?—That is the commercial rule.

554. Does not it then follow, that if it should be ultimately found that this country ought to assist the colony so as to relieve it from its difficulties, the longer that assistance is delayed, the larger will be the amount of assistance required?—Decidedly.

555. Would not delay also tend to render the security for ultimate repayment less good, by keeping up a prejudice against the colony, which would have the effect of checking emigration?—Decidedly.

556. Mr. *Wood.*] You have alluded to the probability of a stoppage of the banks as one of the evils which you contemplate from the present state of things; do the banks issue paper money payable on demand?—They do.

557. Are they liable on demand to pay the whole extent of their issues in specie?—Yes.

558. Were those banks founded upon a paid-up capital?—There are two banks; one is the company's bank, and the other a branch of the Australasian Bank. The Australasian Bank is a chartered bank, well known, I suppose, to the Committee, and the whole of their capital I understand is paid up.

559. Can you state the amount of their capital?—I do not know; but I think it is about 800,000 *l.* or 1,000,000 *l.* With respect to this branch, I should state that it has not been long established in South Australia; it was established, I understand,

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I understand, at the recommendation of the commissioners, about a year ago.

560. *Chairman.*] Do you mean that the bank previously existed, but that it has only had a branch in South Australia within the last 12 months?—The South Australian Company's Bank was established there on the very first day of the landing of the emigrants. This was done with a view to assist them in carrying on their operations; it was absolutely essential to their success that they should have a circulating medium. The South Australian Company, in the first instance, was established without a bank. It was expected that the Australasian Bank would afford the necessary banking assistance, and application was made to them. They did not however feel disposed at that time to render it, and the South Australian Company had no alternative but to establish a bank themselves. They sent circulars to all their shareholders, with a request that they might have permission to establish a bank. That request was conceded, the bank was established, and it has been in operation to this day. The bank forms a part of the general company. I admit that the principle upon which our bank is established is not the best that could be. We afterwards applied to Government for a charter, which was refused, on the principle that the bank was associated with a commercial company. The bank has answered a useful purpose; it has helped forward the progress of the colony, and been the means of affording great assistance to its inhabitants. It is now intended to separate the bank from the company, and to apply to Government for a charter for a new bank, with increased capital. Such has been the rapid progress of the colony, that it has been found necessary to increase the supplies of capital in the colony. There is an exhaustless supply of good land and of labour, and it must be evident to the Committee that a certain proportion of capital is an essential element in the success of any undertaking of this nature; we propose to separate the bank from the company, and to form a new bank, and to apply to Government for a charter. At present about 120,000*l.* paid-up capital are employed in the bank itself.

561. Mr. *Wood.*] Do you mean to say that 120,000*l.* has been advanced by the company for banking purposes in South Australia, and is now so occupied there?—I mean to say that 120,000*l.* has been advanced to the South Australian company's Bank, and is so employed, in addition to the capital employed by the branch of the Australasian Bank.

562. Lord *Stanley.*] You mean 120,000*l.* out of the original paid-up capital of 320,000*l.*?—Yes.

563. Mr. *Wood.*] £. 120,000 has been applied exclusively to carry on banking purposes in South Australia?—Yes.

564. How much has been applied to banking purposes in South Australia by the Australasian Bank?—I am unable to answer that; I have no interest in the Australasian Bank.

565. Is that a joint-stock bank?—It is.

566. Do the proprietors meet at stated periods?—Yes.

567. Are statements of their affairs laid before the proprietors at those periods?—Yes, and published in the local newspapers.

568. Are they public documents which are easily accessible?—They are.

569. Are there similar documents accessible with reference to the bank founded by your company?—No, not being a chartered bank, we have no necessity to publish the proceedings.

570. But you know that 120,000*l.* has been actually advanced by your company for banking purposes?—Yes.

571. Can you state the amount of paper issued by each of those banks in South Australia?—I cannot, without making investigation.

572. Is it within reasonable bounds in proportion to the capital employed by the banks?—I think it will be found clearly so according to the just principles of banking.

573. Are those banks under the management of parties resident in this country, or are they managed mainly in the colony itself?—Both; the management is in the colony under the control of the Board in London.

574. Do you think that the banking operations have been conducted upon sound principles?—I think so, always excepting the principle of the bank being connected with a commercial company, which is, in my opinion, unsound; but

that

that arose from necessity, and the company have resolved to embrace the first opportunity of removing that objection by separating the bank entirely.

575. That is an objection to the principle; but, in point of practice, have their operations been conducted upon just banking principles?—I conceive so.

576. And you know of nothing that could have embarrassed either of those banks save some great financial embarrassment, such as that we are now speaking of?—Nothing whatever.

577. Have their discount operations been conducted upon sound principles?—I conceive so.

578. Within legitimate bounds?—Yes, and their returns regularly sent home.

579. Lord *Stanley.*] Can you state what is the amount of your bank paper in circulation now?—I cannot immediately; I should think about 15,000 *l.* or 20,000 *l.*

580. Mr. *Wood.*] Do the company meet at stated periods by their deed of settlement?—Always once a year.

581–2. And lay statements of their affairs before the proprietors?—Yes.

583. Are those statements made public?—They are made public in the reports; generally there are reports of the public meetings.

584. Mr. *Hope.*] Was any specific reason given in the city at the time a loan was advertised for, upon the Treasury Minute of the 3d of November, why that was not considered a sufficient guarantee?—The reason assigned to me by different individuals was, that they did not understand it; they did not consider that it bore the characteristic of a regular Treasury Minute; that was the impression upon their minds. I suppose it was quite erroneous, but they did not attach to it the same notion which they have always attached to a regular guarantee of the Government.

585. Are you aware whether there is any difference between the form of this and the form of the guarantees given upon previous occasions?—I am unable to speak to that; I have not had much to do with matters of the kind.

586. Lord *Eliot.*] Are you of opinion that the immediate interposition of Parliament would prevent the effects of the present financial crisis in South Australia?—Yes.

587. Are you of opinion that if that interposition be delayed, the disastrous consequences to the colony which you have described must ensue?—That is my opinion.

588. Are you of opinion that a loan of 240,000 *l.*, to be raised upon the security of the revenues and public lands in South Australia, and to be guaranteed by Parliament, would be sufficient to extricate the colony from its present embarrassment?—Yes.

589. Are you of opinion that the capital of that debt, as well as the interest, might be liquidated in five years?—I am of that opinion, provided the control of the expenditure is placed in the hands of the colonists; I conceive it would be impossible to carry out a system of economy to realize that result, unless there is some check. Had there been a check thus far, I think they would have kept down the expenditure very considerably.

590. You mean that the resources of the colony in itself are sufficient to enable the colony to liquidate the capital of that debt in the period of five years?—I conceive so.

591. *Chairman.*] Can you, before you come to the Committee again, furnish the precise data upon which your calculation, as to the five years, is made?—I have already given the Committee my judgment upon that point, which is, that the produce of the colony will amount to 300,000 *l.* a year.

592. Are you able to furnish any more precise data than those you have given as to the basis of your calculation as to the five years?—I do not know that I am, except as to the particulars, which added together, will produce the 300,000 *l.*

593. Mr. *Wood.*] Do you suppose that the present resources of the colony are adequate to pay off that amount of charge in that time?—That is my opinion, provided there is no re-action or adversity which cannot be foreseen.

594. Mr. *Vernon Smith.*] Do you suppose, in your answer to these last questions, the continuance of the Government under the present Act of Parliament?—I think the present Act very deficient; I think there must be considerable alterations in it to realize those expectations.

Veneris, 5° die Martii, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Howick.
Mr. Raikes Currie.	Lord Mahon.
Lord Eliot.	Mr. Parker.
Lord Fitzalan.	Mr. Vernon Smith.
Mr. W. E. Gladstone.	Lord Stanley.
Sir George Grey.	Mr. G. W. Wood.
Mr. G. Hope.	

THE RIGHT HON. SIR GEORGE GREY, Bart. IN THE CHAIR.

Colonel *Robert Torrens,* called in; and further Examined.

Colonel *Robert Torrens.*

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595. *Chairman.*] THE Committee understand that you wish to make some corrections in your former evidence. Will you state the nature of them?—I wish, first, to make an addition to the statement at the end of my answer to Question 92. Under these convictions I drafted a letter to the Colonial-office explaining the grounds of the strong opinion I entertained, that in the actual circumstances of the colony the timely aid of his Majesty's Government in enabling the commissioners to raise the loans authorized by the Acts of Parliament would not involve any charge upon the public purse on account of such loans. The substance of this draft was partly embodied in our letter of the 17th September, but in my views with regard to the security of the proposed loans my colleague could not concur, and the circumstances seemed to me so important and so urgent, that though I could not place what I conceived to be the true state of the case before his Majesty's Government with the weight and influence which a unanimous representation from the Board of Commissioners might possibly have possessed, yet I felt it to be my duty to submit my individual opinions for the consideration of the Secretary of State for the Colonial Department, in a letter dated 23d September, and intended as supplementary to the letter of the 17th September, to which it refers, and to that of the 26th August, to which, for the sake of unanimity, I reluctantly affixed my signature. With his sanction I laid my views, as to the measures which should be adopted, before the Treasury, as I now submit them for the consideration of the Committee.

596. Do you wish to put in that letter?—I do; it is a draft merely.

[*The Witness delivered in the same.*]

Vide Appendix, (Paper, No. 10), p. 200.

597. You tender that to the Committee, as embracing your sentiments; but are the Committee to understand that it was never sent?—It was never actually sent; it was partly embodied in the letter of the 17th of December.

598. And you tender it to the Committee as explaining your views at the present time?—I do.

599. Is there any other part of your evidence upon which you wish to give any explanation?—I wish to qualify my answer to question 54, to which I answered "Yes." I wish to qualify that by saying "When required for emigration."

600. What words in the Act of Parliament do you rely upon as qualifying the obligation of the Commissioners to replace an advance made from either one fund or the other?—In the third section of the amended Act it states, that "When any money advanced from either of the said funds in aid of the other of them, shall be required for the purpose of the fund from which the advance shall be made, the said Commissioners shall and may borrow and take up at interest, or raise in addition to the monies which they are authorized to borrow by the said recited Act, money for repaying such advance by all or any of the means by this

this Act or the said recited Act authorized;" when it shall be required for the purpose of the fund from which the advance shall be made.

Colonel *Robert Torrens.*

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601. You think those words qualify the former words, which are as follows: "Such advances respectively shall be repaid or replaced as soon as conveniently may be (but without interest thereon in the meantime) by such commissioners out of the monies accruing to the fund debited with such advance?"—I think it states the nature of the convenience.

602. Is there any other answer of which you wish to give any explanation?—In the answer given to question 59, I wish to qualify the "Yes" by the following words: "Unless the money borrowed be previously required for emigration." The next is the answer to question 131. I wish to add, that the letter requires that if in the course of the year emigration should be required, the money borrowed from the emigration fund should be replaced by a loan. The next is the answer to question 134. I wish to add to that answer, "If you comply with the Act the security for repayment would be the credit of the colony."

603. The Committee understand that you wish also to give some qualification to your answer to question 328?—I wish to add to the word "Yes," "For the government-house and other public buildings."

604. You mean that the amount of 25,162 *l.* was not expended upon the government-house alone, but upon the government-house and other public buildings?—Yes; one-half of that sum was authorized for the governor's house, and all the public offices, in fact, connected with the administration of the government.

605. Mr. *Vernon Smith.*] Do you know what portion of that sum was expended upon the government-house itself?—I do not know the proportions. With the permission of the Committee, I will deliver in a statement of the shipping arrived in the port of Adelaide, from 1st of January to the 31st December 1839. (*The Witness delivered in the same.*)

Vide Appendix, (Paper, No. 10), p. 203.

T. Frederick Elliot, Esq. called in; and Examined.

606. *Chairman.*] ARE you one of the Colonization Commissioners for South Australia?—I am.

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607. When did you enter upon the duties of the office?—On the 10th of January 1840.

608. On the dissolution of the former commission?—Yes.

609. Have you any statement that you wish to make to the Committee with reference to the assets and liabilities of the commission at the time you entered upon those duties?—I should be anxious to be allowed, before anything else, to put in some financial statements, signed by the accountant to our commission, which I think will make much plainer all that passes afterwards upon the subject. The first statement will show all the present liabilities of the colony classified, and the assets. These statements inevitably include some matters of estimate, but when it is estimate, it is so stated. We must assume some data. We have taken it up to the 1st of May, about two months hence. With regard to the past, it will be important to us that the Committee should have before them a statement of the bills drawn from the colony in each three months; and another statement of the bills showing the dates at which they were received in England. That is exceedingly material to the commissioners. We should also be very anxious to put in a statement of the ways and means of the commissioners at the 1st of every month in 1840; and also a statement of the loans from the emigration fund, showing the state of the account of the two funds at the beginning of every year from the origin of the commission. I have also a statement of the financial position at the commencement of every half year from the beginning. That will complete the financial case entirely. These statements I will deliver in. (*The Witness delivered in the same.*)

Vide Appendix, (Paper, No. 8), pp. 191–196.

610. Mr. *Raikes Currie.*] Are those the accounts of the new commission, or of the former commission also?—The accounts for 1840 are for the new commission only, but several of these relate to the affairs of the commission from the commencement of the colony.

611. *Chairman.*] What is the amount of the present liabilities?—They are divided here into four classes in all. Our debt to people in England who have either supplied us with goods, or performed services, is in round numbers 56,000 *l.* The whole of the bills which have been refused acceptance, together with those which are expected up to May, 97,000 *l.* It is necessary to explain

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that, in the first item, part of the debt is from the emigration fund, and part from the revenue; and if we are enabled to discharge that item, we shall at the same time discharge *pro tanto* the debt from one fund to the other. If we have 56,000 *l.* given us for the revenue fund, we shall pay off with that part of the debt which belongs to the emigration fund. Therefore, it stands thus: debts, 56,000 *l.*; bills, 97,000 *l.*; further debt to emigration fund, after paying off class 1 of debts, 56,000 *l.* The fourth item is the public debt of the colony, that is 85,000 *l.*

612. That is money borrowed under the first Act?—Yes; without the public debt, the total of the first three items is 210,000 *l.*

613. What is the amount of the loan or advance which you now require in order to pay off every existing liability, and to proceed with the affairs of the colony?—It is necessary to take one distinction there. To pay off everything that we owe to individuals, of one kind or another, 153,000 *l.* would be enough; but to fulfil the Acts, and to do our duties under them, we must have the other sum of 56,000 *l.* for future emigration, so that we must have 210,000 *l.*

614. Then with an immediate advance of 210,000 *l.*, you would be enabled to fulfil all existing liabilities, and to carry on the affairs of the colony?—To carry on South Australia upon its old principles.

615. Some questions were asked, on a former day, as to the reasons which induced the commissioners to abstain from raising a loan in the early part of last year. Your colleague, Colonel Torrens, said that he wished the questions should be addressed rather to one of his colleagues than to himself. Can you state why the loan was not raised in the early part of last year, shortly after you entered upon the duties of the commission?—I am exceedingly glad of having an opportunity to answer that question. In one respect it may appear surprising that it was wished more particularly to be addressed to the new commissioners, for I am unable to remember any occasion on which any one of the three commissioners distinctly proposed that measures should be taken to raise a loan. We all three foresaw clearly that a time would come when we should require a loan, and we all three equally, from time to time, mentioned it. But no one member of the Board, so far as I can recollect, ever made a distinct proposition in any early month of the year that a loan should be raised, and was overruled. When the month of June came, I ought to explain that there was a difference to this extent, that I believe Colonel Torrens would then have gone into the market to offer to raise a loan, though seeing the danger that was impending over us; and we, on the contrary, thought we were bound then to impart our condition to Government, and not keep it a secret.

616. What was the earliest period at which apprehension was entertained by the commissioners of the insolvency of the colony?—Not till the latter part of June.

617. The question before asked applied to an earlier period of the year; you entered upon the duties of the commission in January; did the question of raising a loan come under your consideration between that period and the month of June, when the insolvency of the colony became a subject of consideration?—My former answer to the question was rather prefatory, with reference merely to the point of a difference of opinion of which I must say that I had not been aware at the time; but I would now wish to answer the question itself directly. The reason we did not raise a loan in the early part of 1840 was, that we did not want it. In the statement I have handed in today, the Committee will see our condition at the beginning of every month of the year 1840; they will see our ways and means, and that, as matter of money, we had a large surplus in the early months of the year. We had not a surplus in the revenue fund technically, but we had a large surplus of money under our control; in fact, therefore, I may say that we did borrow money, but we borrowed money without paying interest instead of money paying interest; the Act itself pointing out to us that course, by a clause which particularly provides that we may take the emigration-money when wanted for the revenue, on purpose to save interest. So we did. I repeat, therefore, the reason we did not raise a loan was, that we did not want it.

618. How soon was the emigration fund wholly drawn out?—Until August we always had money to meet the accruing claims of the ensuing month.

619. In mentioning the clause which provides that you may take emigration funds, when wanted for revenue, you refer to the third section of the amended Act?—Yes.

620. Has

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620. Has your attention been called to the proviso at the close of that section, which is in these words; "Provided always, that the amount advanced from the said emigration fund in aid of the revenues of the colony, together with the debt which may have been due to the said emigration fund at the commencement of any year, shall not, at the close of any such year, exceed one-third of the amount which may have accrued to the said emigration fund in the course of such year"?—Yes, I am familiar with that clause. It was never violated until the end of the year 1840. Then it was violated, because, as everybody knows, the colony was in a state of confusion, and we could no longer fulfil our obligations. But I should like to give a little further explanation upon the subject. As to the letter of the Act, I think it required us only to settle accounts at the end of the year, and if we did that we satisfied the letter of the Act; but I do not mean that we should have been satisfied to do that. Far from it. We satisfied the spirit of the Act, for we always carried on emigration as far as was for the good of the colony, and only applied the surplus emigration-money to revenue purposes, until we became insolvent. We did not say, we will put off settling with the emigration fund, and promoting emigration till the end of the year; that would have been violating the spirit though not the letter of the Act; but we said, we will carry on emigration as fast as it ever has been carried on, and as fast as we conceive to be good for the colony, and we will only borrow from the surplus.

621. You conceived yourselves to be at liberty to borrow the whole of the emigration fund if it was not wanted for emigration at any period of the year, provided two-thirds of that fund was found in that fund at the close of the year?—As matter of law, we were only to look at the end of the year; but as matter of discretion, we should have guided ourselves by taking care that in no month in the year we sent fewer emigrants than we would have sent at any rate.

622. Then do you mean, that up to the month of June in the last year, the emigration fund was always fully equal to the demand upon it for the purposes of emigration?—Perfectly.

623. You had not restricted emigration owing to the funds you had borrowed from the emigration fund for general purposes?—In no way. Before quitting the reasons for not raising the loan, I should like to add one more explanation: I have heard that it has been said that the colony would have been saved if a loan had been raised sooner. Now I think Colonel Torrens mentioned to the Committee, that up to June, so little had we an opportunity of understanding the prospects of the colony, that we thought of a loan of 60,000 *l.* Our debt at present, as I have just stated (and I am not aware of any item in that debt that we could have abstained from creating, if we obeyed the Act), is 210,000 *l.* I am at a loss to understand how 60,000 *l.* could have averted the embarrassment that we now have, to the amount of 210,000 *l.*

624. Mr. *Vernon Smith.*] What led you to suppose 60,000 *l.* to be sufficient at that time?—The accounts from the colony were lamentably deficient. Nothing could exceed the defectiveness of the accounts we had. I must guard myself, however, against being understood to say, that if we had raised a loan we should have been satisfied with 60,000 *l.* That was merely inserted as a figure in a proposed draft of an advertisement; and before we had consented to raise a loan we should have scrutinised our affairs, and it is possible we might have raised more. But if we had raised the largest sum we ever thought of, that was only 120,000 *l.*, and that would no more have paid 210,000 *l.* than 60,000 *l.* would have done so.

625. Captain *A'Court.*] When did you first refuse to accept any of the bills drawn from the colony?—It was within a week of the end of August.

626. *Chairman.*] Are the Committee to understand, that previously to the month of June you abstained from raising a loan, because you thought it unnecessary, and that subsequently to the month of June you abstained from endeavouring to raise a loan, because you thought it would not have been right and honourable to go into the market to raise a loan, without disclosing the circumstances which had produced in your own minds an apprehension as to the solvency of the colony?—That was not quite the case. At the end of June we saw that the affairs of the colony were critical, but we still had hopes that a loan might redeem them; we thought them so critical that we were bound to impart the circumstances to Government, and so far as Government might give us its advice, we considered it desirable to have its guidance; but we still

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hoped that a loan would redeem the colony. The Government approved of our view, and we did advertise for a loan in July. It was by the end of August, that the difference in our position had occurred. When we advertised in July we had hopes that we should pay all the bills and fulfil all the objects of the Act by a loan of 120,000 *l.* At the end of August we saw that if we got a loan the next day, the following week we must refuse bills; in fact that we should as it were have only put off refusing the bills in order to induce the money-lender to part with his money, and then go into the market and depreciate his stock incalculably. This was the reason why we thought it not right in August to go for a loan. We were not squeamish about it. If a man goes to borrow money, of course he is in want of money; but in August, if we had obtained a loan, we should have had to depreciate that stock in a week afterwards, and should, I think, have committed a dishonourable action.

627. Do you refer to the letter of the 27th of July, when you speak of a communication which you made to the Government respecting the state of the colony?—Yes.

628. Does that letter suggest a loan?—Yes, and the Government approved of it. That leads me to one other remark. I believe it was formerly thought (an opinion which has now declined) that perhaps we ought to have applied sooner to the Government. Now by the Act for carrying on the affairs of the colony, they were devolved upon the commissioners; we had no business to go to the Government in any ordinary circumstances; so much so that in a case which occurred only the other day, the Treasury said they would not interfere with our ordinary duties under the Act, but that we must obey the law and perform our proper functions. That was in reference to a minor question, but it shows the principle.

629. Mr. *Vernon Smith.*] You considered it your duty under the Act under which you were appointed, to keep aloof from the Treasury?—It was the opinion of the law officers that upon us devolved the responsibility of managing the finances, and therefore we had no excuse for going to the Government, except in a period of extraordinary emergency. The question when such an emergency had in point of fact occurred, was unavoidably a question for our discretion; and whether our judgment upon it was right or not, depended upon whether, when we did go to the Government, they found reason to change our course. Now what was the fact? We said to the Government, we have been paying bills: shall we go on? They said, yes. We said, we propose to take a loan; the Government said, take it.

630. In the month of July you had no notion that the bills would have come in upon you in the constant succession in which you found they did afterwards in August?—The great change arose out of a despatch of Colonel Gawler's, I believe one of those now before the Committee, in which he announced plainly that he could neither reduce his expenditure, nor increase his revenue.

631. What was the date of that despatch?—The 26th of February 1840.

632. *Chairman.*] Will you read the words to which you refer?—"In a preceding paragraph I have said that I cannot estimate that the proper expenditure for some succeeding quarters will fall below the standard of that ending on the 31st of January last. It should be added, that I have long had it in earnest consideration, and have brought the question several times before the Council, whether with the limited funds that exist for meeting that expenditure, it is not imperative to reduce it by a large reduction of the survey, police, and harbour departments, and to take the consequences of such a measure. It is only a deep conviction, founded upon the broadest evidence, that those consequences would be most ruinous to the progress and prosperity of this hitherto most flourishing colony, that restrains me from acting upon it." In another passage of the same despatch he says, "I assure the commissioners that I have not shrunk from the duty of imposing taxes to meet the public expenditure, but the difficulties in the way of legislation, especially on this subject, have been, I may with propriety say, immense."

633. When was that despatch received?—I cannot state the date of its receipt now. I wish to add, that I believe that is not the only evidence upon the subject; I quoted it because I knew the despatch was before the Committee; I believe that we have other documents to the same effect, and our conclusion in August was not founded upon any single despatch, though one may be more striking than another, but upon the general tenor of our advices.

634. But

634. But your advertisement for a loan in July was previously to receiving information of those facts which produced the subsequent apprehensions in your minds?—I know that we advertised previously to the receipt of the despatch just quoted. And then, subsequently to the receipt of the despatch, events were continually confirming our conviction that the bills would not stop. The loan was advertised for on the 21st of July 1840.

635. On the credit of the colony, without any Government guarantee?—Yes.

636. Did you receive any tender for that loan?—None.

637. Lord *Mahon.*] It is mentioned in the despatch of the 26th of August, that the despatch enclosed from Colonel Gawler was received since your last communication, that communication being dated on the 7th of July. Therefore the Committee may conclude that the letter of Colonel Gawler was received some time between the 7th of July and the 26th of August?—Yes; I suppose it to have been received very shortly after we advertised for a loan, but certainly afterwards. No offer was made. That leads me to one other subject worth mentioning to the Committee. We not only had not postponed our loan till our means of payment had run out, for we now have cash in our treasurer's hands, (a little balance that remains,) but we did not postpone it so as to render it impossible to raise a loan. The Committee will find in our letter of the 26th of August, signed by all the three commissioners, the following passage:—"Although the apprehensions which arose on the foreign relations of the country interrupted the progress of arrangements, we have every reason to believe that within a very short period from this time the measure might be completed." The difficulty, therefore, was not that we could not get the money, but that we could not honestly take it at that date. Now how would that question have been affected by our going earlier into the market? If we had lost the opportunity of getting the money we should have been to blame for not getting it earlier; but we had not lost the opportunity; it only turns out that in the month of August we could not honestly take the money. And are we to regret that we had not gone in June or July, because from the state of ignorance in which we were at that time, we might have pleaded that it was unknowingly we led the loan contractor into very great losses, which after all, I may add, would not have been sufficient to extricate the colony?

638. Do you mean that a loan of 120,000 *l.* raised in the early part of last year would not have prevented the insolvency of the colony?—Certainly not; since we are insolvent for 210,000 *l.*, and since the Act compelled us into all the expenditure.

639. Captain *A'Court.*] The colony was not insolvent to that amount at that time?—No, but the money had all to be expended upon emigration: we were to repay it to the emigration fund, and the Committee will find that there was no part of the expenditure which we were at liberty to avoid.

640. Mr. *Hope.*] Does not the 210,000 *l.* take into account the debt to the emigration fund?—Certainly.

641. And therefore the colony was not insolvent to that amount?—Not to individuals, but the fundamental principle of the colony is, that the emigration fund must be replenished.

642. Mr. *Wood.*] The emigration fund was money in trust to be expended in sending out labourers?—Yes, and that suggests a further remark. There was no one on the Board who would have said, "Let us pay the individuals to whom we owe money, and let us neglect the emigration fund." I may safely assert this, for even so late as November, when we had gone to the Government for aid, we discussed that point, and we said, "If the money is put into our hands without condition, we must obey the law before everything else; we will not go wantonly and spend money upon emigration till Parliament meets, but we cannot pay it away to the bill-holders, unless it is made a special provision in advancing this money, that it shall not be advanced except upon that condition." If, therefore, we had got money in July, no doubt we should have replenished the emigration fund first of all: we should have abided by the law.

643. Have you incurred any voluntary liabilities of any kind since the time you were apprehensive of the solvency of the colony?—No. Early in June we made the last advertisement for a ship; in the latter part of June we became uneasy, and then, for the first time, we suspended our emigration.

644. *Chairman.*] When did the last ship leave the country with emigrants?—The

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—The ship that was advertised for in June left in the end of August; there has been none since the ship advertised for in June.

645. Mr. *Vernon Smith.*] Are you aware whether any private emigrants have gone out?—I have no accurate information upon that point.

646. Lord *Stanley.*] What is the time of year at which it has been generally found most advisable to send out emigrants to South Australia?—We have never suspended the emigration during any month but January. I confess, however, I think it would be more prudent, from November to January inclusive, not to send off large bodies of people from the English Channel.

647. With reference to what circumstance?—Two circumstances principally; first, the great inconvenience in a crowded ship of meeting gales of wind the first day or two at sea; and, secondly, the bad effect upon the people's health from coughs and colds prevailing, which often lead to worse complaints.

648. But with reference to the period of the year at which it is least desirable that an influx should take place into the colony, is there any time to which preference should be given over any other season?—I think not. They have been so anxious for labour in all the Australian colonies, that there is no month in the year in which I do not believe they would be glad to see the people.

649. *Chairman.*] You were understood to state that an immediate advance to the colony of 210,000 *l.* would enable you to discharge your existing liabilities, and to carry on the affairs of the colony under the Act of Parliament; do you mean by that, an advance of 210,000 *l.* by way of loan, or a free gift from Parliament to the colony?—If a free gift, so much the better for the colony.

650. But do you mean to say that an advance by way of loan charged in the first instance upon the security of the colony to that amount, would free you from your present liabilities, and prevent the recurrence of the difficulties in which you are placed?—No; I merely meant that it would discharge our debt, and enable us to start fair. With reference to a provision for the future, I should wish to say a great deal more before I pretended to offer an opinion.

651. But assuming that the finances of the colony were placed upon a proper footing, and under efficient control, do you think the colony would be able to pay the interest upon a loan to that amount, and to repay the principal within a reasonable period, and also to provide for its current expenditure?—Instead of answering that by giving a general opinion upon the question, perhaps it would be better that I should submit to the Committee what data there are for coming to a conclusion upon the point. I cannot vouch for their accuracy as I could wish, because, as has been often mentioned, all the accounts and statistics of the colony are sadly imperfect. Perhaps the best way will be, first to state the revenue and its prospects, then to state the establishments, and then to take into account the interest on the debt.

652. Lord *Stanley.*] What you are going to state now, is founded upon a state of things arising out of a population of 15,000 souls at present in the colony, their wants and their capabilities of production?—Yes; the revenue will be stated upon the population of 1839, which will have been less than that of 1840.

653. *Chairman.*] You take 1839 as the latest information you have?—For the first quarter of 1839, we have no authority but a newspaper. The revenue is there stated at 2,862 *l.*, that is at the rate of about 11,500 *l.* a year. The second quarter, we have from Colonel Gawler 4,375 *l.*, that is at the rate of 17,500 *l.* a year. For the third quarter, we have only a half quarter's account, likewise from Colonel Gawler. The half-quarter is 2,738 *l.*; twice that half-quarter would therefore be 5,476 *l.*, that is at the rate of nearly 22,000 *l.* a year. The fourth quarter, returned by Colonel Gawler, is 5,694 *l.*, that is at the rate of nearly 23,000 *l.* a year.

654. Lord *Stanley.*] Have you no account of the remaining half of the third quarter?—None whatever.

655. Have you no account of the total of the year 1839?—None whatever. The first quarter of 1840 was 7,371 *l.*, that is at the rate of about 29,500 *l.* a year. I have a twofold object in stating this by quarters. First, it exhibits the fact that we have not all the materials we could wish, in order to lay before the Committee information; and, secondly, it is very satisfactory to perceive, that the revenue has been steadily progressive up to the beginning of 1840.

656. Lord *Howick.*] Is that the latest account you have?—It is.

657. Lord

657. Lord *Stanley.*] Are those returns the gross or the net revenue?—The gross.

658. Not deducting the expense of collection?—No, the expense of collection is to be deducted.

659. Mr. *Parker.*] Have you any idea what the expense of collection would be?—I have the charges for the Customs' establishment here; I think the expense of the Customs in the first quarter of 1840 was at the rate of 3,800*l.* per annum.

660. *Chairman.*] You have seen the Table given at page 133 of the printed Papers; do you believe that to be a correct account?—I have no doubt that is the best authority.

661. Mr. *Gladstone.*] With respect to the commissioners not having received an account of the expenditure for the year 1839, have you not reason to believe that Colonel Gawler himself did not receive the accounts of that expenditure until long after the period had elapsed during which it took place?—I should be very sorry if anything I have said as to the incompleteness of our information, was considered to imply an imputation on Colonel Gawler. On the contrary, one of the best features, I think, in Colonel Gawler's administration has been the unceasing anxiety he has expressed to extricate the departments from the irregularities into which they had fallen. We do not complain more in England of the want of information, than Colonel Gawler has complained in the colony of the impossibility of procuring and supplying it. He has again and again represented that he found the departments in a most lamentable state. I may perhaps be permitted to read the following extract from Colonel Gawler's address to the Council, in April 1840, page 126 of the printed Papers: "I regret that it is not in my power to enter closely into this last subject, from the circumstances that the accounts of the first three quarters have only lately been transmitted to the auditor-general, and are in consequence still unexamined." Indeed I find that, in another despatch of 8th of April 1839, Colonel Gawler actually states that he encloses the accounts for that amongst other quarters of the year; but in the margin of the despatch I find the following words: "These accounts were ordered by me to be prepared, and were in course of preparation in January last. On the 6th of this month I was assured that they would be ready by this day; but now, when the mail is making up, they are not forthcoming."—Signed, "*G. Gawler*, 8th April."

662. *Chairman.*] Have you now completed your statement with respect to the revenue?—That is all the information I have to produce upon the revenue.

663. Will you proceed now to the establishment; can you state the gross amount of the establishment which would have to be provided for out of the revenues?—The statement I shall make of the establishments will be computed upon the account of payments in the last quarter of 1839.

664. Mr. *Vernon Smith.*] Was that previous to Colonel Gawler's increasing the salaries of the public officers, or subsequently?—Subsequently. The payments made in the last quarter of 1839, exclusive of the surveys, were at the rate of 20,000*l.* a year. The payments for salaries, and wages for the survey department, were at the rate of 25,000*l.* a year, making a total expenditure for salaries and wages, at the rate of 45,000*l.* a year. Now there are one or two remarks to be made upon the subject of the survey department. In the year 1839, Colonel Gawler may be said to have had two establishments at once. He had the establishment that the Commissioners had sent from England, which I estimate cost about 7000*l.* a year, and he had his original establishment in the colony, of which of course the cost would be 18,000*l.* to complete the above total. The commissioners in England found themselves obliged to acquiesce in his continuing the old surveyors for a certain period. There was a question of good faith. Their services had been re-engaged after they had been dismissed, or had resigned, before the appointment of the new surveying establishment was known. The commissioners, however, particularly intimated to Colonel Gawler, that they looked to his taking the first opportunity of reducing all those supernumerary surveyors who constituted the former establishment. We must not therefore take 25,000*l.* as a permanent charge for survey. There is another remark of still greater consequence about the survey department. It is, I believe, the universal opinion of everybody interested in the colony, and it is the

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decided opinion of the commissioners, that properly speaking, the expense of surveys ought to come out of the land revenues. It is clearly a charge to be deducted from the gross revenue. We do not care whether they are paid out of the revenue by this name, or whether a fee is charged on the delivery of the grant; but in one shape or the other, we think the expense ought to fall upon the land. We might, therefore, exclude the expense of survey from our expectation of future charges. But if the colony is in considerable difficulties for some time to come, it is possible (I hope it may not be the case) that the sales may for a long time continue very small. That will not, however, be a reason to abolish the surveyors, for this would be to strike the flag at once, the colony being dependent upon selling land, and therefore we must keep a surveying establishment. I am afraid, then, that I must contemplate the possibility of a permanent staff of survey being chargeable to the revenue for some time. But we should save all the labourers' wages, for we should not employ labourers unless land was selling.

665. *Chairman.*] But in order to charge the expenses of the survey department upon the land fund, an alteration of the Act of Parliament would of course be requisite?—Certainly. Before the statement I have just made is complete, I must observe, that I do not believe Colonel Gawler's salaries have been excessive; I am inclined to think the contrary. From a very rough estimate I have made, I believe, that instead of reducing the sum of 20,000 *l.* a year, it would be necessary to add probably 1,000 *l.* more. Colonel Gawler's augmentation of salaries which has been alluded to, was only of the subordinate officers. He did not take upon himself to increase the higher officers, but he most strongly urges it, and so does every functionary in the colony. They are greatly underpaid, and this is probably one reason why we have neither had good information, nor regular conduct in the departments.

666. You think that 21,000 *l.* may be taken as the amount which will be required in future years for salaries in the colony?—I state it with great diffidence, and submitting that our materials are very imperfect. I have only attempted, and that very recently, to make a calculation in a rough way; but I should be inclined to estimate that 20,000 *l.* ought to pay the establishment, exclusive of surveys.

667. Mr. *Gladstone.*] Does your knowledge of the prices of commodities in the colony enable you to state to the Committee what relation a salary of 500 *l.* a year in the colony would bear to one of 500 *l.* a year in England?—There is a very good report upon that subject by a board of officers who sat in the colony. If there is the least chance that the Committee will give their minds to the question of salaries, I hope they will allow that despatch to be laid before them. It would be the best guide to them in considering what salaries ought to be given.

668. How are the salaries in South Australia, compared with those in the neighbouring colonies?—Very low. Amongst other officers I would particularly specify the Judge. It is most painful to know, as we do, how much the Judge is underpaid, and to have no means of remedying the evil. His salary is 500 *l.* a year.

669. Captain *A'Court.*] Does your estimate of 21,000 *l.* include the Board in England?—No; my estimate relates exclusively to salaries in the colonies.

670. Lord *Eliot.*] Is any part of the expense of the existing commission charged upon the colonial revenue?—All the expense of the South Australian part of the establishment at home has been charged to the colonial revenue, except such clerks and others as were specifically employed on emigration, and they were charged to the South Australian Emigration Fund. If the result of the inquiry should be to allow the general management of the colony to go under the Government, its lands and emigration would be managed like those of any other colony, by the existing land board, and would cost the colony only a small fraction of the general expense, according to its share in the general emigration from the United Kingdom.

671. Mr. *Raikes Currie.*] Do you know what proportion of the whole expense of the Board of Colonization Commissioners is charged upon the colony of South Australia?—The whole charge of the South Australian Colonization Commission, at the time at which the two Boards were consolidated. The old establishment remained for South Australia, and such portion as used

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to be paid to the chairman has been appropriated towards the salaries of the commissioners. The principle settled by the Government was, that South Australia was to pay no more in consequence of the consolidation. I should add, however, that since the time when, owing to the difficulties of the colony, our business has unfortunately diminished, we have reduced very considerably the South Australian establishment.

672. *Chairman.*] What is the whole amount of charge to be provided for on account of the commission in London, out of the revenue of the colony?—I cannot answer that accurately at this moment; but I would repeat my former answer, that if the general management of the colony should pass under the Government, which I think the commissioners have strongly hinted at in their reports, I have no doubt it would be managed by the Colonial-office without any expense to the colony; while its lands and emigration would be attended to by the existing Board, I suppose, with a very trifling charge.

673. Lord *Stanley.*] You stated that you do not anticipate that there could be a material diminution in the expense of the survey department. On reference to the papers put in before the Committee, you will see that out of 25,000*l.* charged on account of the survey department, a sum of above 20,200*l.* is charged in respect of labour. You were understood to state that although there could be no diminution in the staff of the establishment, yet the amount of land sold will regulate the amount of expense for labour, which in this account forms the greatest part of the 25,000*l.*?—That is precisely what I wished to convey. I did not mean to say that there would not be a great reduction in the expense of the survey establishment; quite the contrary. The largest proportion of the expense, as stated in the question, is for labourers' wages, which would be regulated by the extent of sales. I have calculated what the permanent staff might be roughly estimated to amount to in the survey department; I should hope it would not exceed 3,000*l.* a year.

674. Mr. *Wood.*] And the expense of labourers according to the amount of sales?—Yes.

675. Lord *Stanley.*] Why do you estimate the amount at 3,000*l.*, that being so much lower than the amount given in the Papers before the Committee, at page 148, where the amount is above 5,000*l.*, exclusive of labour?—Because in 1839, as I mentioned, there was a double survey establishment, which accounts for the large sum that appears in the account referred to. But I have calculated the staff which the Government ought to maintain in future, and which would accord with what has been authorized by the commissioners; and I have considerable confidence in giving an opinion upon this particular detail of the establishment, because I have collated the result I arrived at with some opinions from the high authority of Captain Dawson, on the survey establishment that ought to be maintained for New Zealand.

676. Lord *Mahon.*] By a double staff you mean that there were maintained together the staff organized for the colony by Colonel Gawler and the staff taken out by Lieutenant Frome?—Precisely so. Colonel Gawler, before he knew that the late Board of Commissioners had engaged the services of Lieutenant Frome with an adequate staff, had secured surveyors in the colony; he could not dismiss them immediately, and the Board was obliged to acquiesce in his for a short time employing both; there was ample employment for both, and it has been a great gain to the land purchasers.

677. How long is it supposed that both were employed?—That will depend upon Colonel Gawler's discretion. We have begged that he will dismiss those surveyors retained in the colony as soon as possible; and we particularly alluded to the completion of the special surveys as a time when he might materially reduce his establishment. I do not know whether they are yet completed.

678. Mr. *Vernon Smith.*] Would Captain Dawson's estimate of the necessary expense of surveys in New Zealand bear out such an expenditure as you have stated here for South Australia?—Captain Dawson enters into the question about South Australia, as far as the data would allow, in his report, but it is hardly a subject for comparison; he calculates the expense of surveying so many hundred thousand acres, labourers and all included; Captain Dawson does not calculate a permanent annual charge, but an acreage. The only detail that I have here attended to in Captain Dawson's report, is the amount of his permanent staff.

679. And you think that will justify you in supposing that the expense would not

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not exceed 3,000 *l.* a year?—That justifies me in supposing that the permanent staff ought to be decidedly within 3,000 *l.* a year.

680. Mr. *Hope.*] Is not Captain Dawson's proposed survey on a totally different principle from that on which Colonel Light proceeded?—Yes; Captain Dawson's is on a totally different principle from that on which Colonel Light proceeded; but the commissioners have prohibited the continuance of Colonel Light's system.

681. But with reference to the expenditure which has been incurred in South Australia, it was upon the original principle, was it not?—The expenditure up to a certain date was for a trigonometrical survey, and was therefore justified, but it is long since the commissioners wrote out to recommend the substitution of a running survey.

682. Mr. *Vernon Smith.*] With respect to the police establishment, which appears in the account contained in the printed Papers, should you think that a police establishment to the amount of 6,521 *l.* is a necessary permanent establishment for such a colony as South Australia?—I believe that colonies situated like those in Australia have never yet had a police kept within economical limits, unless they are paid by some direct taxation in the colony; the temptation is very great to increase the police force. Many of them are mounted. I mean in Australia, generally; I am not now speaking particularly of South Australia. They are mounted and sent to what are called the border stations; and thus enable the flock-masters to wander over a much greater extent of pasturage than they could possibly occupy otherwise.

683. But with a population of not quite 15,000 persons, do you think it can be necessary to maintain a police establishment that costs above 6,000 *l.* a year?—I suspect that if compared with that of New South Wales it would not be found very great.

684. Will you look at the answer given by Colonel Torrens to questions 190 and 191, the latter containing these words: "The British colonists who went to North America, having Indians to contend with, who were a much more warlike race, required none of this fund for police armies; they defended themselves;" and will you state whether you agree in the opinion stated by him that the colonists might, to a great extent, protect themselves?—I think that is only another form of saying that they must pay for their own protection. It is no answer to tell a colonist that he may mount a horse himself, and take a gun. He would rather pay, and the only difficulty is to settle how.

685. *Chairman.*] Do you think that an efficient police force is essential to the security of the inhabitants of the colony?—An adequate police establishment is very necessary to the protection of the colony.

686. Do you think the establishment stated in these printed Papers, to which your attention has been called, is excessive?—We have hardly in our possession sufficient information to give a positive opinion, but if I recollect right, Colonel Gawler, alluding to the subject, speaks of runaway convicts and disorderly sailors, and he might also allude to the aborigines. All those are circumstances which require a police.

687. Are there any troops maintained in the colony?—There are no troops maintained in the colony, and that certainly forms a feature peculiar to South Australia. It is from the difficulty of judging of the exigencies they may have on the spot, that I wish the police could be paid by some direct taxation. The colonists would then keep up just such an extent of police as they felt was really necessary.

688. You have not included in your estimate of the establishment any charge on account of public buildings. Has there not been a very heavy charge on account of public buildings hitherto incurred in the colony?—That is a subject on which we have to lament the imperfection of our accounts. The only bills we know as matter of fact to have been drawn for buildings were authorized bills. There has been drawn, so far as we know, about 4,500 *l.* for the government-house, and a similar sum for public offices. Both those sums are less than what had been authorized by the late Board of Commissioners for those objects; and there has been a sum of 1,000 *l.* for a wharf; which may be considered to have been authorized, but we have not the least information whether, in the great mass of bills to the amount of many thousand pounds beyond what has been authorized, several may not also have been for public buildings

buildings and works; on the contrary, we have reason to believe that many are for such works.

689. Do you think it unnecessary, in stating the amount of the future establishment and expenditure of the colony, to include any charge on account of public buildings?—Certainly not unnecessary.

690. What amount would you add to the 20,000*l.* a year on account of the expenditure in respect of public buildings?—I should hope, from the tenor of Colonel Gawler's reports, that he has erected many of the buildings of most urgent necessity; in his advice of bills he has only specified, so far as I have discovered, the three buildings I have mentioned; but he has told us, in general terms, that he has been proceeding with a gaol, an infirmary, an emigrant depôt, a customhouse, and some minor police stations.

691. Then, so far as your information extends, do you conceive that a great many of the public buildings, necessary to carry on the business of the government of the colony, have been completed?—I am sorry to say we do not know how far they are merely begun, and in progress, and how far they are completed.

692. Then you cannot undertake to say that there may not be a future charge of a considerable amount in respect of public buildings?—I cannot.

693. Lord *Mahon.*] In the instructions to Captain Grey, it appears that the future expense is strictly limited to such as may be necessary to prevent dilapidation?—Until he gets authority. But if he makes a sufficient representation, and shows a case, the building must be granted. The instruction to Captain Grey, instead of being an unusual limitation, is almost a concession; for the standing order is, that governors are never to touch any public work until they have specific authority from home.

694. Mr. *Vernon Smith.*] Under the head of "public works" do you include roads?—We have reason to know that Colonel Gawler has spent money upon roads, but we have no knowledge of how much.

695. Is that an expense that you would throw upon the emigration fund, or that you would draw from the revenue of the colony?—The roads ought to be made, as they are in all new settlements that have most flourished, by the people themselves living in the country.

696. *Chairman.*] By local assessment?—By local assessment, or by contributions of labour.

697. What has been the practice hitherto in South Australia; has any expense incurred in respect of roads been provided for out of the general revenue or not?—We know that some contribution has been made by Colonel Gawler towards roads, and we know that he has helped to build a bridge in the town of Adelaide.

698. But you would think it unnecessary to provide for that as a charge in future years upon the revenue?—I should say decidedly unnecessary, especially in that country. I think that in every colony the residents along the line ought to make the roads; no one who has travelled in America can have the least doubt how well that system will work. But it is even less necessary in Australia to defray the expense of roads out of the public funds; for it is an extraordinary fact, that from the borders of the old settled part of New South Wales to Port Phillip, 300 miles, there is a road which you can travel in any wheeled carriage in the colony, that has not cost a single shilling to the public, and very little to individuals, for the soil is so dry, and country so clear, that you have little more than to draw the carts one after the other, and a road is made.

699. Captain *A'Court.*] Have not convicts been employed in that way?—Not along that particular line.

700. Mr. *Parker.*] If the colony came under the Colonial-office, and the Government sent out troops to South Australia in future, in some proportion to the troops they have sent to other colonies in Australia, would not that circumstance cause such a reduction in the police establishment as to bear, in future, less upon the revenues of the colony?—No, I think not. The sort of duty to be performed is not a duty that military can discharge; I appeal at once to the experience of New South Wales.

701. Is not the defence of the colonists against the aborigines and against convicts a good deal in the power of troops to effect?—It is very corrupting to the troops, and I believe, as far as possible, it is discharged by police. The

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whole colony of New South Wales is covered with police. You have, within the limits of the settlement, what they call the mounted police, and you have beyond the limits of the settlement what is called the border police. The border police are quite as much to keep order and peace towards the aborigines as against convicts.

702. Lord *Mahon.*] Is the number of runaway convicts that come to South Australia considerable?—I have never met with an estimate of their whole number; but I have seen it stated, that they form a large proportion of the people who are brought to trial in South Australia, so that I suppose their numbers are not inconsiderable.

703. But the only means by which they come to that colony is by escape from other colonies?—They are not only runaway convicts, but time-expired-men.

704. Then you include in the term "convicts," men whose time is expired?—Yes; I mean that the time-expired-men have been included, I believe, in the statements I allude to.

705. Mr. *Raikes Currie.*] Will you refer to Governor Gawler's Minute in Council, dated the 3d of April 1840, in page 127 of the printed Papers. He says, "In considering the expenditure, it is important to bear in mind, not only the fact which has just been stated, that a very large proportion of it has been required by objects necessary for what may be called the outfit of the colony, but also, that but a small proportion of it has been applied to the salaries and direct expenses of the government, by far the greater part having gone to the direct benefit of the colonists. By the accompanying very carefully compiled statement of receipts and expenditure, it appears that the actual expenses of the government for salaries, judicature, police, customs, and a variety of incidental expenses, has been 5,150 *l.* 19 *s.* 10 *d.*, while those of the land and survey departments, which form no essential part of the government, of the emigration department, of which new colonists are the direct objects, and of public works, horse and cart hire, and so forth, which flow directly into private purses, amount to 29,140 *l.* 15 *s.* 11 *d.*" Do you consider this a fair and correct statement of the facts of the case?—I have never doubted that it was a true abstract of the accounts appended to his minute.

706. Does that opinion accord very much with your own, with regard to the permanent expenses as contradistinguished from the outfit?—I think it is quite fair to make a distinction between the outfit of the colony and its current expenses. I must frankly say, that I think it was an oversight when the first instructions were given to the Governor, to send him a schedule consisting exclusively of salaries, and to desire him on no account to draw beyond that schedule. I think it was an error to sell lands in this country to a very great extent, and to say to the Governor, who was to deliver the article to the purchaser, "You must survey the land and deliver the article, and for so doing we grant you a list of salaries and wages, but positively prohibit any other expenditure," and this in a new country where no provision was made for transport, and no provision for subsistence. We all know that if you go to a new country, you cannot carry on the duties of a travelling establishment as they were in London, where there are vehicles at the door and shops in the streets. I must say, therefore, that I entirely excuse Colonel Gawler for not adhering to the letter of his instructions. The whole question is a question of degree, and I continue to think on that point what is said in our own letter, printed among these Papers. I think that though he might have said, you are mistaken in the details of your instructions, and he might have exercised his own discretion as to the details, yet the authorities living in England were to be considered fair judges of the extent of credit they could command in England. I think, therefore, although he might have altered the disposal of the money as much as he pleased, yet as to the sum total, he ought to have striven to the utmost of his power to keep within his instructions.

707. Captain *A'Court.*] Do not you consider a gaol, a government-house, and public offices as part of the necessary outfit of the colony?—They were obviously indispensable expenses; but Colonel Gawler wrote very early after his arrival in the colony, and asked for an authority, and stated that he would begin in the meanwhile at least; and the authority was granted. Those buildings, therefore, the government-house and offices, are not part of his unauthorised expenses.

708. Lord *Stanley*.] You were understood to say, that in the amount of 20,000 *l*., which you assumed as the probable expense of the establishment, you included the police?—Yes.

709. You were understood also to say, that the 20,000 *l*. was to be applied to salaries and wages only?—Yes.

710. And you compare that amount with the expenditure given by Colonel Gawler, of 5,150 *l*. for the quarter on account of government charges, which you do not consider unreasonable?—Yes.

711. Are there not, however, many other items beyond those of salaries which come under the head of government expenses and police establishment, which would have to be provided for over and above the 20,000 *l*.; for example, the storekeeper's department appears to have cost 4,700 *l*. in a single quarter; the harness and stores for the police, and horse hire for the police, and houses for the police, appear to have cost 2,304 *l*. in a single quarter. Are all those items, with several others included in this list, to be considered as exclusive of that charge of 20,000 *l*. for the government establishment; and if so, what is their probable amount?—If I were to propose a scheme for the settlement of the colony, I should wish to exclude the police from the charges to be set against the ordinary revenue of the colony; I should wish to leave the colonists to provide for this by some sort of local rate; but if the police must remain charged to the revenue, there is no doubt there would be further charges for forage and stores. Those charges, however, which I trust may never come upon the revenue, would be, I believe, the only part of the storekeeper's expenses that we need now take into account. The remainder I should conjecture to have been entirely either for surveys, which will now not be in progress unless the land is selling, and then I would charge it to the land; or else a very large sum for emigrants, which I should charge to the emigration fund. Emigration will not be going on unless land revenue is accruing.

712. Will you have the goodness to turn to page 113, and you will see that stores and expenses on account of the surveys and stores for the emigration department, are kept separate from the stores for the colonial storekeeper; and that the stores for the colonial storekeeper, excluding the emigration department and the survey department, amount in one quarter to 4,725 *l*., while the charge for the police stores amount, in addition, to 2,304 *l*., making upon the whole average of the year no less an expenditure than 28,000 *l*. for those two departments: in what degree would you be prepared, in estimating the future expenses of the colony, to cut down that charge of 28,000 *l*. a year, which is over and above any application of money for salaries?—I confess I do not know for what objects those additional stores can be intended; but my opinion is, so far as I can at present call to my mind the different cases for which, on legitimate grounds, there ought to be an expenditure of stores, that the only large supply should be for the police, surveys and emigration, and for the marine. It is plain by this account that they go very largely beyond that amount. I am sorry to say that there has been a great deal of extravagance unquestionably in detail in the colony. We have quite enough information to show that. We have the report of a board of audit that sat in the colony, which gives many details that exhibit what I consider to be great extravagance. I have seen, not merely forage for horses for the governor and surveyor, or assistant land commissioner, which might be fairly allowable, but also a charge for horses purchased for them; and I have seen the purchase of pieces of ordnance, because they thought the state of Europe unsettled; I speak of a period long prior to the end of the year 1840. All I would infer from this is, that possibly the expenditure for stores, exclusive of the three great departments I have considered, may have been superfluous, and may admit of being reduced; but I am quite in ignorance what the stores have been for.

713. Have you made any calculation of what addition ought to be made to that amount of 20,000 *l*. in respect of those items which appear here to involve an expenditure of 28,000 *l*. a year?—I should be able to give that information better at the next meeting of the Committee.

714. Lord *Mahon*.] What is to be the salary of the new governor, Captain Grey; is there to be any reduction?—No; it is to be 1,000 *l*. a year.

715. Mr. *Wood*.] What articles do you suppose are included in that item in page 134, "Stores for colonial storekeeper, 4,445 *l*." for one quarter?—I am not aware.

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716. For what purpose do you suppose those stores are intended?—I have no information beyond what is contained in that document.

717. That account is signed by "J. Alexander Jackson, colonial treasurer and accountant-general," and it is dated "Colonial Treasury, 24th February 1840;" have the colonial commissioners called for any explanation of that official return in consequence of the vagueness with which it is prepared concerning some of the items?—The minute in which it is enclosed is dated April 1840. It could not have been before us until long after the time when the colony fell into this confusion, and Colonel Gawler was recalled, and since that time we have been waiting for a committee to sit, and for a general course to be decided.

718. *Chairman.*] Will you, before the next meeting of the Committee, prepare an estimate, as far as the documents in your possession enable you to do so, of the gross expenditure of the colony which will fall upon the colonial revenue during the next few years?—I will endeavour to produce such a statement.

719. Lord *Stanley.*] Can you form any estimate of the probable amount to which in the last few years the colonial revenue may have been swelled in consequence of the very large expenditure which has taken place by the local government, and of the effect which the curtailment of that expenditure may have upon the amount of revenue?—That is a most material point to attend to. In my answers hitherto, I merely mentioned the matters of fact as they were; but it is very important to consider how far we shall be entitled, assuming the same number of people, to expect, if there are difficulties and a financial crisis, the same revenue that we have had when there was a very large government expenditure going on.

720. *Chairman.*] Will you proceed to state the amount of interest which will be chargeable upon the revenue, on the assumption that a loan of 210,000*l.* will be made to the colony?—The present interest on our public debt is rather less than 7,000*l.* a year. If a loan of 210,000*l.* were raised under a Parliamentary guarantee, at 4 ½ per cent., that, it is evident, would entail a charge for interest of more than 9,000 *l.* a year; the total charge for interest therefore would be about 16,000*l.* a year.

721. Then you would have to add to the gross expenditure of the colony to be provided for out of the revenue, a sum of 16,000 *l.* to be provided for interest?—Yes.

722. Do you contemplate the possibility of paying off the loan by instalments within any given period?—I am afraid when you have added together the necessary establishment, and interest on the debt, and compared that with the revenue up to the latest accounts, you will find that there will be nothing to spare for a sinking fund.

723. Is not the security of the revenue very deficient, even to provide for the interest of the debt after paying the necessary establishment of the colony? —Clearly; we have seen enough, without waiting for the statement which is to be produced at the next meeting of the Committee, to perceive that the colonial revenue up to this date would be much less than the amount of the establishment, and of the estimated interest on the debt.

724. Captain *A'Court.*] Supposing the Act of Parliament were altered, would not the land fund be sufficient gradually to redeem the debt?—The amount of the land fund would necessarily depend upon the general condition of the colony, and its general estimation with the public; it is a very difficult element to calculate.

725. Mr. *Vernon Smith.*] Whatever is taken from the land fund will so far diminish the means of raising the prosperity of the colony?—It would diminish the means of increasing the population so far as we deducted it, but the question is, what is best for the colony upon the whole.

726. *Chairman.*] Do you mean to suggest an alteration in the Act of Parliament to the extent of rendering the whole proceeds of the land sales applicable to general purposes, reserving no part for emigration?—The commissioners have never given any opinion to that effect hitherto; nor have I sufficiently considered the subject to be at all prepared to give an opinion that the whole land revenue should be taken for the debt. Indeed, I think it might probably be fatal to the colony.

727. Would it not most materially interfere with the prosperity of the colony, and with the means of keeping up its cultivation even to the present amount, if there were to be a complete stoppage of emigration of the labouring classes

to

to the colony?—I think that it would be likely to dry up the sources of land revenue, to let no portion of it be spent in emigration. The only question I can conceive for the Committee, and that will still be matter of doubt, is whether some portion, say one-half of the land revenue, should be applied to the debt.

728. Lord *Eliot.*] Supposing the revenue of the colony to increase in the same ratio that it has done the last few months, would not there then be a sufficient surplus to provide a sinking fund?—In order to answer that question correctly I ought to have a calculation of the amount of population while the revenue of 1839 was accruing; I will make that calculation before I next attend, and will then state its bearing upon the present question.

729. Is there any reason to doubt that if the present financial embarrassments were removed, the revenue would continue to increase in the same proportion?—It has already been mentioned that the revenue may, to a certain degree, have been increased by the larger amount of government expenditure which has been going on, and which it is now proposed to reduce; another element that will necessarily tell upon the future increase of the revenue, is how far our land sales and emigration may continue.

730. Do you know what the present amount of capital invested in the colony is?—I have no sufficiently accurate information to be worth mentioning; there is a company, a wealthy and influential company, and also individuals of great public spirit, interested in the colony. I should be very sorry to say anything that seemed to despair of its prospects.

731. Mr. *Vernon Smith.*] Have you any other suggestion to offer as a means of increasing the prosperity of the colony?—Upon that subject I am afraid I must ask leave to offer some explanation upon a passage in a letter signed by myself, in common with others, in the Papers laid before the Committee. The passage which I allude to is near the end of the commissioners' letter of the 7th of July 1840, at p. 89. It relates to the boundaries of the colony. At the time when I, for one, signed that letter, seeing the difficulties that were coming upon the colony, I was exceedingly anxious not to prevent the throwing out of any topic that any of the Board thought might serve to the advantage of the colony. There certainly were some topics which I found it impossible to agree in; and it is only because I do not think it worth while to take up the time of the Committee that I do not now enter into any explanation of the grounds why I did not agree to those; but wherever I had a doubt, I thought it my duty not to be an obstruction to throwing out the idea. Upon this proposal of enlarging the boundaries, I thought the Government might judge; and therefore, although I had doubts at the time, I acted upon that view. I believed that the information mentioned to our Board was probably sufficiently correct to justify the representation. I must say that I now take a totally different view of the question of the boundaries, and with permission, I will proceed to state my reasons. I see in Colonel Gawler's despatch, No. 30, 30th of August 1839, this passage: "The occupation of the Murray, from its mouth in the lake to the great south bend, would have a most beneficial effect upon Adelaide itself, and go very far to facilitate the settlement of the whole district from the Murray to the Gulf." He then goes on with this passage: "Then this district, taking it in all, I am every day persuaded there is scarcely to be found a finer in the world for agricultural as well as pastoral purposes." That is more than could be said almost of any district in the whole of New Holland, as far as we know, and I believe it to be correct.

732. *Chairman.*] That statement refers to a district within the present limits of the province of South Australia?—Within the present limits. I believe it to be correct. This same account, which Colonel Gawler gives in such strong language, was, I understand, confirmed by Captain Grey, while he was in England, who is an excellent authority upon the merits of the soil in Australia, for few men have travelled over a larger space of the country. There are also passages to a similar effect in the Commissioners' Third and Fourth Annual Reports, which are before the Committee, at pages 6 and 7. I would just read this concluding sentence, inserted after a whole string of corroborative authorities and quotations: "From this concurring and authentic testimony, we cannot doubt but that, at no distant period, the district lying eastward of St. Vincent's Gulf, and containing millions of fertile acres, will be appropriated to settlers, at prices not less than 1 *l.* per acre."—In the Fourth Report of the late commission, at pages 13 and the following, which Report was sent in by

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one of our colleagues in July 1840, much about the same date as the letter from him and us, in which was hazarded an idea of extending the limits of the colony, there is a variety of evidence to the same effect; among others quoting Captain Sturt, an excellent authority, who speaks of millions of acres of rich soil in the same district.

733. You refer to a passage in the Fourth Report, which begins, "From the concurring testimony of the most competent witnesses the commissioners are led to believe that the province of South Australia is the most fertile country hitherto explored in the extra tropical division of New Holland?"—Yes. But this is not all. Here is a very recent despatch from Colonel Gawler, who has been travelling a great deal: "The land already surveyed would well bear from 30,000, to 40,000 inhabitants, while the districts actually sold would support in comfort double those numbers. The really available land between the Gulf St. Vincent and the Murray, including the course of this river from 'the great bend' downwards, might well contain from 100,000 to 200,000 inhabitants." That is all within the present province of South Australia. Now, in all I say here, I trust it will not for an instant appear that I speak with any unfriendly feeling to the colony. Very far from it. But we must remember they have neighbours, and that what we give to them, is taken away from their neighbours. The area of South Australia is 310,000 square miles, and it contains upwards of 198,000,000 of acres; that is double the size of the three British Islands; it is in point of extent a very respectable rival to the kingdom of France. A great deal of the land will, I dare say, be found utterly unprofitable and waste; but that is the condition of every country in New Holland. Port Phillip is better situated, certainly, than most in that respect; but even Port Phillip must expect to find a great deal of waste land that it can never use. Port Phillip, if the Committee were to take the trouble to look at the map, is incomparably smaller than this vast area of South Australia; and now by a despatch which I have seen for the first time this morning, I find that people from New South Wales and Port Phillip are taking possession of that very spot which we have been made to propose to sell, to raise a revenue for South Australia. That appears in a despatch of Sir George Gipps's, which is just going to be printed for Parliament, dated the 28th of September 1840.

734. You mean that it is within the limit of the government of New South Wales?—Yes.

735. And the appropriation of land in that district is subject to the existing regulations as to the colony of New South Wales?—It is. I do not rest my case at all upon this fact; I merely mention it as having happened to see it this morning. With the most friendly sentiments, then, to South Australia, I still conceive we must think of justice to others; and I think it would tell very ill to Port Phillip, to say, You two colonies have started about the same period; you at Port Phillip have succeeded, your neighbours are for a moment in troubles (I hope they will not be of long duration), but because you have prospered, and because they are in difficulties, you are to be mulcted of part of your territory, and to allow it to be sold for the benefit of South Australia. I am anxious to say, that I have quite changed my mind, or rather confirmed the original doubt I had, upon that question.

736. Independently of the consideration affecting New South Wales or Port Philip, do you think that so large a tract of available land remaining in South Australia to be disposed of, renders unnecessary any extension of the limits of the colony?—I do indulge great hopes that ample quantities of good land will be found in South Australia. I believe it may boast of the best soil of any country in New Holland, in some parts of its territory. We do not know yet what may be the prosperity of Port Lincoln, which is described as a most splendid harbour.

737. So far as your information goes, you see no reason now to apprehend a stoppage of land-sales and emigration, arising from the impossibility of finding land available for settlement within the present limits of the colony?—I do not believe that the sales will stop for want of good land.

738. Mr. *Hope*.] Your attention has been drawn to a passage in page 20 of the Fourth Report, in which there is an accurate estimate given of the number of acres available for tillage and pasture. Do you know whether that is given upon any particular data? It is there stated that 4,385,048 acres are available for

for pasturage or tillage?—I never read that Report until it was in print, and I have no knowledge of the authority for any of its statements. *T. Frederick Elliot, Esq.*

739. Lord *Eliot.*] Do you know whether or not a large portion of the total number of bills protested, in consequence of non-payment, are still in the hands of persons in this country, and not yet returned to the colony?—I have no doubt that gentlemen who may have attended the Committee from the city, would be able to give them much better information upon that subject. The commissioners are perhaps the last people who would know, because, from the nature of the case, unfortunately, we can hardly be justified in giving anything like advice to the holders how to proceed. They have our warmest sympathy, and we should be most gratified to see them paid. Merely speaking from the probability of the case, and from one or two pieces of information I have heard, it seems reasonable to suppose, that having, as they consider, a strong claim upon the Government, and knowing that if they went back to the colony they would probably find things in a state of confusion, a great majority have kept their bills, and now have them in England. 5 March 1841.

740. No communication has been made to you to the effect that Government, not having proposed to Parliament to introduce any measure upon the subject, they are about to return those bills to the colony?—No information has been conveyed to us officially upon the subject.

741. You are not aware that such is the fact?—No.

742. In your opinion, would the consequences of the arrival of those protested bills in the colony be very injurious to its prosperity?—In so far as there may be in the colony certain parties besides the government who are responsible for the bills, people who have endorsed them and so on, I have no doubt whatever that the consequences might be exceedingly injurious;—injurious, that is to say, if the parties who have held the bills in England during this long interval of now nearly six months since we began to refuse the bills, if those parties, while this Committee is sitting, should now take the desperate course of sending back their bills to a place where there could be little hope of getting them paid, when there seems a chance of some decision before long in England.

George Fife Angas, Esq. called in; and further Examined.

743. *Chairman.*] ARE you now able to give an answer to a question put to you yesterday, with respect to the amount of notes which the bank connected with the South Australian Company may have in circulation?—The notes in circulation on the 30th September last were 17,500 *l.* The specie held by the bank at that time was 14,090*l.*, and on a former occasion we had 25,000 *l.* of specie in hand, having always made a point of keeping a large stock of bullion for the general purposes of the colony. The liabilities of the bank were, at the same date, 110,720*l.*, the assets 228,620*l.*, leaving a surplus of 117,900*l.* I believe I stated in my evidence about 120,000*l.*, so that it is nearly that sum. I wish to observe further, with reference to the price of land at the port being 1,500*l.* for an acre, that increased value arose from the company having expended about 22,000 *l.* in making a quay and wharf, a road, and other improvements, which of course gave a very high real value to the lands in the immediate neighbourhood. The account of the port stated that ships of from 300 to 400 tons may lie alongside the wharf at low water, drawing 15 feet. I had a vessel of my own there when the last accounts came away, of about 303 tons, and the captain speaks of the harbour in very high terms. At any time, when it may be the wish of the Committee, I can go into the question of the lands, terms of the leases, and so on. *G. F. Angas, Esq.*

744. Lord *Stanley.*] With respect to the bank, you state the liabilities to have been about 110,000*l.*, and the assets 228,000*l.*; can you state what those assets are composed of?—I cannot now state it; I have not a recollection of the particular items; the proportions are as usual in banks.

745. What proportion may consist of colonial bills which you have discounted?—I cannot speak accurately upon that question. I would observe with reference to the redemption clause in our leases, which was alluded to in my last examination, that many of the farms are about to be redeemed. The price of redemption is 1 *l.* 10 *s.* per acre. The usual rents of our leases are from 1*s.* 6*d.*

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1 *s.* 6*d.* per acre to 10*s.*, varying according to the situation, circumstances, and the nature of the soil. Inquiry was made as to the number of acres of land possessed by the company; I have ascertained that: 16,000 acres of land were purchased of the commissioners directly, and five special surveys, making together 36,000 acres. I thought the company had purchased some land from other quarters. I find, however, that only very small portions of land have been purchased by the manager of the company in the colony, and those were made chiefly with a view to improving particular sections of the company's land, such as making roads and objects of that nature. The prices given have been very little more than the first cost of the land, of 20*s.* an acre. Inquiry was made yesterday respecting the principle on which I made the calculation of 30*s.* per head as the amount of taxation; I will explain that. I took the two first quarters of 1839, amounting to 7,237*l.*, and doubled it, making for the year, 14,474*l.*; at that time the population consisted of about 10,000 souls.

746. Lord *Stanley.*] Since that time the colony has increased to about 15,000, and the receipts to about 31,000*l.*?—Yes; so that the present rate is about 40*s.* per head. I stated that I thought the colonial debt might be paid off in five years. I did not wish to convey the idea that it would be expedient to adopt that course, but merely that the resources of the colony would be sufficient for the purpose.

747. *Chairman.*] Can you state within what period you think it might be reasonably expected that the debt would be paid off?—I am not prepared to answer that question; it would depend a good deal upon the future operations of the colony. The South Australian Company have five vessels employed in the black and sperm whaling trade, besides small craft in the neighbourhood.

748. Captain *A'Court.*] Are not you withdrawing them by degrees?—We are withdrawing them from the sperm whale fishery. The coasting fishery, though the company should withdraw from it, will fall into private hands.

749. Lord *Eliot.*] Are you prepared to make any further statement as to the intentions of the parties holding the protested bills?—I have conversed with one of the gentlemen this morning, and find there is a disposition to wait a few days, if there were an early prospect of their retirement.

750. But they probably would not continue to hold them beyond a very mited period?—I think not.

751. Mr. *Parker.*] How soon will any more ships go out after this next week?—Not for many weeks, I apprehend. I have ascertained since I was last before the Committee, that one of the vessels is to sail on Tuesday next, but that it is not likely to leave the river until the end of the week.

Mr. *Edmund John Wheeler,* called in; and Examined.

Mr. *E. J. Wheeler.*

752. *Chairman.*] ARE you the Manager of the South Australian Company?—I am.

753. Have you been manager of it from its foundation?—Yes, for five years; rather more.

754. You have an intimate acquaintance with all its concerns?—Yes.

755. What is the present subscribed capital of the company?—It is rather above 400,000*l.*

756. How much is paid up?—About 320,000*l.* is paid up, speaking in round numbers.

757. Lord *Eliot.*] Are you prepared with a statement of the weekly bank returns?—No, I am not.

758. Can you state the amount of the circulation?—The amount of circulation, I believe, at the last return, is about 17,000*l.*

759. What was the amount of specie in hand?—Close upon 15,000*l.*, I believe. At times, it has been much more; we have had as much as 20,000*l.* to 25,000*l.* in hand.

760. What quantity of land has been bought by the company?—The company hold, I believe, about 38,000 acres.

761. What quantity has been bought at different times by the company?—Its first purchase was about 14,000 to 15,000 acres; it has purchased since about 20,000 in virtue of special surveys, and it has purchased land orders in the colony to the amount of about 2,000 to 3,000 acres.

762. How much has it sold?—I think its actual sales altogether will not exceed above eight or ten acres, and those at the new port. It has let with rights of purchase, but I am not aware of any other sales than those at the new port.

763. Lord *Stanley*.] Are the Committee to understand you to say that you had, at the last advices, 15,000 *l.* in specie applicable solely to the purposes of the bank?—Close upon that amount.

764. You had at the same time 17,000 *l.* out in your own notes?—About that sum.

765. What other liabilities?—Not having the papers with me, I cannot say positively, but as far as my memory serves, I think about 100,000 *l.*

766. You are not prepared to go into particulars with regard to your assets or liabilities?—I am not prepared to go into minute particulars.

767. Are the transactions of the bank kept wholly distinct from the other transactions of the company?—Entirely so.

768. Lord *Eliot*.] At what rate was the land of which you speak at the new port sold?—The price varied from 1,300 *l.* to 1,500 *l.* or 1,800 *l.* per acre. But that price was caused because we had expended from 22,000 *l.* to 25,000 *l.* in making a road across a swamp, and in making an embankment there; it was of no value till we made that outlay; it was in consequence of that outlay that purchasers were found for the land; we only sold about eight or ten acres of it; it was sold to merchants, storekeepers in Adelaide, for the purpose of building warehouses there.

769. Lord *Stanley*.] Were those purchases made for cash?—No; the purchases in those colonies are generally made a small part in cash, and the remainder on credit for indefinite periods.

770. Can you state what portion of those purchases made from you were paid for in cash, and what portion upon credit?—I think the deposit is about 10 per cent. in cash; the credit varies from three months to seven or ten years, depending much upon the price given.

771. In the case of those purchases which have been made, where you have stated the price to have been from 1,000 *l.* to 1,500 *l.* an acre, what was the credit given, and what was the amount paid down in cash?—I am not aware of any larger amount paid down in cash than the 10 per cent. deposit.

772. What was the length of credit given in those cases?—I should think some would run as far as seven years or upwards, some might be within three or four; I can, if the Committee wish, get that information; I have not it by me now, not being aware what points I should be asked.

773. Are the Committee to understand that in the purchases so made, and for which a credit of from seven to ten years was allowed, interest was charged upon the sum remaining unpaid or not?—In most cases I believe they bear interest.

774. Can you state what security the company took for the payment of the principal and interest?—I am not aware of any, except the land itself; we had the deposit in the first instance, and we dealt with respectable parties.

775. Lord *Howick*.] You had the land and the buildings upon it as security for the remainder?—We shall have the buildings when erected.

776. Mr. *Parker*.] You do not transfer the land till the first instalment is paid?—I think it is so. There may be some collateral security upon it; but that is a detail that I am not aware of.

777. *Chairman*.] Are you aware whether there is a conveyance from the company to the purchaser when the deposit is paid, or is the conveyance delayed till after the payment is made in full?—I think at present the conveyance has not been made; but whether it is delayed till the payment is made in full, I cannot say.

778. Captain *A'Court*.] You do not reserve the power of re-entry in case the conditions of payment are not complied with?—Not to my knowledge.

779. Mr. *Gladstone*.] Have such instalments as have fallen due up to the present time been paid duly?—We have no complaint of irregularity yet.

780. Are you aware whether any considerable amount of instalments have become due?—The whole amount is rather inconsiderable, being only eight or 10 acres that we have sold there altogether.

781. Lord *Stanley*.] You stated that the company had laid out from 22,000 *l.* to 25,000 *l.* in making a road across a swamp, and wharfs; are the Committee

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to understand that they have made cash payments to that amount?—Yes; the work has been done, I believe, wholly by contract.

782. Lord *Eliot.*] Have the company been at all engaged in the whale fishery?—Yes, we commenced it; we were the first persons who introduced it into the colony.

783. Have you prosecuted that undertaking to any extent?—We have had generally one or two stations each season. We are now retiring from it in consequence of private capitalists coming forward to take it up, with whom we do not wish to compete, because the policy of the directors has been all along, as private capital came forward, to withdraw from interference with private enterprise.

784. *Chairman.*] Is there any point upon which you wish to give information to the Committee respecting the company of which you are manager?—I should state that the company have always endeavoured to assist the resources of the colony; and particularly I may allude to the assistance it has given to farmers in sending them out and assisting them with an advance of capital, in order to stimulate cultivation. The directors have always been opposed to any kind of encouragement being given to speculation in the colony, and have invariably urged upon their officers there, and especially upon the bank, that the utmost caution should be used in only fostering proper commercial transactions, or those by which the production and exports of the colony could be promoted; but every kind of land speculation has been entirely reprobated by the directors here. Their instructions upon this point go back for a considerable period of time, and from the accounts which have been received from the company's bank, they appear to have acted upon those instructions.

785. Lord *Stanley.*] Will you explain in what sense you mean that the company have discouraged speculation, their whole existence being, in point of fact, based upon the speculation of purchasing and re-selling land in the colony?—The company do not look so much to that, for we have sold scarcely any land at all; the object of the company rather is, to derive a revenue from the leasing of their lands, and from their banking operations. They are indisposed rather to sell; they are against it; and their manager has very limited power indeed of selling; he could not sell extensively if he had ever so great inclination. What I allude to is, that the company have objected to the bank giving any kind of accommodation in the shape of loans, or discounting exceptionable paper, the proceeds of which would be likely to be employed in those land speculations which went on at the beginning of the colony.

786. Lord *Eliot.*] Then you do not attribute the present financial crisis in South Australia to any undue facilities afforded by the company?—No; I think it is entirely owing to circumstances over which the colonists had no control.

787. Neither the colonists nor the company at home?—No.

788. Lord *Stanley.*] Are you able to give the Committee any information as to the land speculation which has gone on from the beginning of the colony?—I consider it owing to the peculiar position of the colony at its beginning. The people were compelled to remain at Adelaide, and could do nothing because their lands were not surveyed, and as they must be employed about something they employed themselves about that; but now they have got possession of the land, I see evidences that the land speculation has almost wholly subsided: the people, instead of clustering about Adelaide, buying and selling land, are now going into the interior in shoals, cultivating and sheep-farming in every possible direction. The land speculation was chiefly caused because the people had nothing else to do, from not getting their land.

789. *Chairman.*] Have many emigrants been sent out under the agency of the company?—We have sent out about 30 farmers. It was a rule, that irrespective of their own immediate families, they should take two labourers; that has since been modified that they should take only one, because they frequently have grown-up sons. We have sent out a considerable number of servants of our own at the beginning.

790. Have any been recently sent out?—No; our operations have been simplified; our present system is not to employ labourers, but to contract.

791. Lord *Stanley.*] Can you state, up to the last accounts, what amount of land you had in tillage, either your own, or farmers holding under you by lease?—We do not exactly know the extent to which our farmers are tilling, because it

it is so recently, in many instances, that they have been located; we have sent out tenants within the last twelve months. The estimate of the land under cultivation in the colony is about 2,000 acres; but it is extending very fast, because they are so encouraged by the production of the colony, that I have no doubt it will be much larger this season.

792. *Chairman.*] Is it your opinion that there is a considerable portion of land in the colony applicable to tillage?—Yes, either that or sheep-farming.

793. Applicable to tillage?—Yes; some districts are more applicable to tillage than others; we have entered into an agreement with one party to lease 2,000 acres, which I believe is for tillage; he will immediately let it among friends of his.

794. On what terms have you let that?—We have about 4 *s.* 6 *d.* an acre for that; it is part of a special survey.

795. Is that liable to redemption?—Yes.

796. Are the terms of redemption fixed?—Yes; he has the power to redeem within the first seven years on payment of 3 *l.* 10 *s.* per acre. With respect to the farmers we send from here, as an inducement to them to cultivate, we assist them by an advance of money; and upon reference to some accounts which have been made out, I find that our manager has exceeded the stipulated advance which the company engaged to make for the very purpose of encouraging them.

797. Mr. *Raikes Currie.*] Can you make any statement of the produce per acre of tilled land in the colony, say wheat or barley?—I could by referring to letters in which it is stated; I could bring to the Committee a sample of South Australian wheat.

798. *Chairman.*] Is it of good character?—It is; the opinion of those who have seen it is, that there is not one faulty grain amongst it. We have a specimen of oats in our office six feet high.

799. Captain *A'Court.*] Is that an average sample?—An average sample of the wheat; it bears the handwriting of a person whom I implicitly believe, "a fair sample."

800. Does he state how many bushels an acre of it will produce?—He does in another letter. The present extent of enclosed and farming land appears to be caused by the encouragement which the farmers have had, and the good crops which have been yielded.

801. Lord *Eliot.*] Are the company holders of any of the bills which have been drawn by the Governor, and which have been refused payment by the commissioners and protested?—Yes.

802. Would their affairs be seriously injured by the arrival in the colony of those protested bills?—No doubt; if the bills went back it would create great distress in the colony.

803. *Chairman.*] In what way would the return of any of those bills affect the company immediately?—It would affect the whole of the customers with whom the bank does business.

804. It would affect the company through the general distress in the colony?—Yes.

805. Do not you think that has been already occasioned by the information of the non-payment of the bills?—No. The system adopted is this: many bills have been long overdue, and those bills have been protested, in order to comply with the law, and protests for those bills have been sent out, but the bills themselves have been retained here, in the confidence that Parliament would do something for them. I have been asked by other holders what I should advise, and I told them what the company had done, and they have held in consequence.

806. Then up to the present time you do not think that any considerable distress has been produced in the colony by the want of means in this country to meet those bills?—I consider the colony to be in a state of the most anxious suspense, waiting the arrival of vessels sailing shortly after the meeting of Parliament.

807. Any remedy now applied would, you think, be in time to prevent the actual occurrence of the distress to which you refer?—Yes.

808. Lord *Stanley.*] You were understood to state, just now, that you held a certain number of these bills, and that you intended to hold them on, notwithstanding

Mr. *E. J. Wheeler*.

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notwithstanding their being protested?—We have held them on to the present time.

809. Have you any objection to state to what amount?—To the amount of 2,500 *l.*

810. Lord *Eliot.*] Are you prepared to say how long the company will continue to hold those bills?—No; should nothing be done shortly, I fear we have no alternative but to return them, because we must come upon the indorsers.

811. Is it the intention of the company to send them by the ships that will proceed to the colony next week?—I am not prepared to answer that question.

812. It is impossible for you to say how long you think the company would be justified in retaining those bills in their hands under the existing circumstances?—I think so.

Jovis, 11° *die Martii*, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Howick.
Mr. Raikes Currie.	Lord Mahon.
Lord Eliot.	Sir W. Molesworth.
Lord Fitzalan.	Mr. Vernon Smith.
Mr. Gladstone.	Lord Stanley.
Sir George Grey.	Mr. G. W. Wood.
Mr. G. Hope.	

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

Wolryche Whitmore, Esq. called in; and Examined.

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813. *Chairman.*] WERE you one of the original promoters of the colony of South Australia?—Yes, I was one of the association from whence it proceeded.

814. In the year 1834?—Yes.

815. You were then in Parliament?—I was.

816. Was the Act under which the colony was established in the year 1834 brought into Parliament by you?—It was.

817. Have you been subsequently conversant with the management of the colony in the hands of the late colonization commissioners?—I have only been conversant with it by means of reading the various documents that have been published on the subject.

818. You have not taken any part in the management of the colony yourself?—Not the least; I have no pecuniary interest in it.

819. Have you paid attention to its progress, and obtained information as to facts connected with the colony, so as to be able to form an opinion of the success or failure of the scheme embodied in the Act introduced by you into Parliament?—I have watched its progress with great interest, conceiving that it was an experiment in colonization which might lead to important results if successful, and I am prepared at present to state a distinct opinion that the success has been complete.

820. Is that opinion founded upon information as to facts which you have acquired?—Upon information which has been given to me with respect to the progress of the colony, with respect to its population, with respect to its property, with respect to the location of land, and all the circumstances connected with the present situation of the colony.

821. Are the Committee to understand that the colony has answered the expectations which you formed of it at the time when you advocated its formation?—It has surpassed them considerably,

822. You are aware of the present financial difficulties of the colony?—I am, perfectly; but I do not conceive those financial difficulties to be at all a subject of serious consideration with respect to the progress of the colony. It appears to me that in the formation of a colony of this nature there must be a large outfit; that it is impossible that a colony can be established and carried on in the

the first instance without a considerable outlay of money; and therefore I am not at all surprised that that outlay has taken place, and that some financial difficulties at the present moment occur; but I conceive them to be of a transient nature, and really of a trifling nature, when the resources of the colony are taken into consideration.

823. Was not the necessity of that expenditure for outfit contemplated by the original promoters of the measure?—I should be disposed to say that the expenditure has perhaps been somewhat larger than can be justified at the present moment; that is, I think it has been hurried a little too much; that the expenditure which has taken place, and which is an expenditure which must at some period have been incurred, has perhaps been incurred to a larger amount in the course of the first four or five years of the existence of the colony than prudence would have justified. It may be so; but at the same time, the whole of that expenditure is expenditure which must at some period have been incurred, and which will, I think, redound considerably to the advantage of the colony.

824. Was not it contemplated by the original promoters of the colony that considerable expense would be necessary for the outfit of the colony; and if so, what provision was made to meet that, and to prevent that expense falling upon the public funds of this country?—It certainly was contemplated; but in matters of this nature it scarcely ever happens that a sufficient estimate is made of the expenses incident to such a transaction, and I doubt whether such an estimate was made in this case; I should also state that when the Act of Parliament was passed, it was passed under circumstances of the greatest possible difficulty. I entertained considerable doubts for some length of time of the possibility of carrying the Act at all, and it was only by what I conceive very fortunate circumstances that it was carried through the House of Commons, and still more through the House of Lords; and, therefore, we were not quite free agents in the formation of this Act of Parliament; we were obliged to consult various feelings, and in some degree perhaps even the prejudice that existed upon the subject, and which did not enable us to frame our Act of Parliament precisely as we wished.

825. In what respects would you have suggested that the Act should be altered so as to meet the contingency alluded to, or any other?—I have scarcely considered the subject sufficiently to be able to give an answer to that question.

826. Do you adhere to the principle embodied in the Act, that the gross proceeds of the sales of land should be applicable exclusively to the purposes of emigration, irrespective of local improvements?—I should say so, decidedly, looking upon it as a general question; I can quite understand that in the formation of a colony of this nature, in its earliest stages it might be desirable to apply a portion of that fund to local improvements; but the danger I apprehend is this, that if you admit that principle at all, in all probability there will be a certain degree of jobbing, connected either with the local government or connected with some of the offices of Government here, and that the colony would thereby be injured. I should be also disposed to say that although it might be desirable in the early stages of a colony to apply some of the funds to those purposes, I do not think it is desirable in the later stages of a colony; I think it would be exceedingly injurious in the later stages, and that there would be no necessity for it.

827. You think that even for the purpose of surveying the land and preparing it for the settlement of emigrants, no portion of the land sales should be employed?—I am not quite prepared to say that with respect to the survey of land; I think that might be borne by that fund if care were taken to prevent misapplication; but I also think that that might be borne by the colony of South Australia in another way, namely, by the purchasers of land paying for the surveys by some increased price of the land.

828. Are you aware what the total expense on account of surveys has been since the formation of the colony?—I believe I have documents which will show that it is very considerable.

829. Will you explain more fully in what way you would propose that the purchasers of land should pay for those surveys; whether it would be by raising the price of the land and applying the excess of price for the purpose of survey, or by fees, or in what other way?—I meant that the present price paid for land in South Australia is, as I conceive, a low price, considering the

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nature of the land, and considering that the ground is already cleared, and therefore you might fairly impose rather a higher rate upon the sale of land per acre than is imposed at the present moment. I am not drawing that as a general conclusion with respect to other colonies.

830. Then you would only adhere strictly to the principle of applying the gross proceeds of the sale of land to emigration where the price is lower than you think it ought to be?—I should say you might admit, as a principle, that the expense of the surveys of land in new colonies should be paid out of the proceeds of the land.

831. Would you object to extend that principle so as to include roads and bridges, and those other local improvements which are essential to the settlement of the land?—I have already stated that I think that in the earlier stages it might be desirable so to apply it, if you could be sure that there was no misapplication of the fund.

832. Without some modification of this nature of the principle, do you see any security against the occurrence of what has actually happened in South Australia, namely, the incurring a large debt, which the revenues of the colony are unable to discharge?—I am not prepared to admit that the revenues of the colony will be unable to discharge the debt.

833. Even if they should ultimately be able to discharge it, is not there at present a large sum of money constituting a debt which the colony is unable to discharge, and for the discharge of which they are looking for extrinsic help?—I am not prepared to say that they are looking for extrinsic help, other than a guarantee for the loan to be contracted, in order thereby to lower the rate of interest; I should be disposed to say that the sum which has been expended will remain as a debt upon the colony for some time; and we always, in the early formation of it, imagined that there would be a debt of some amount remaining upon the colony for a considerable period: but at the same time, I am inclined to believe, that the resources of the colony are such, that the debt is a mere trifle in comparison with those resources, and that it ultimately will be entirely paid off.

834. Did you originally contemplate that any other security than the security of the local revenues would be required for that debt, or did you contemplate that an application to Parliament would be necessary to guarantee a loan in order to induce parties to lend money to discharge the debt?—No, I confess we did not contemplate that at that time.

835. Then, to that extent, a result has occurred which you did not contemplate when this scheme was originally projected?—Yes, I should say that it has.

836. Will you be good enough to state the grounds upon which you think that the resources of the colony will be sufficient to discharge the debt which has been incurred?—In the first place, I should state that this is only the fifth year of the existence of the colony. The first ship of emigrants left this country some time in January 1836; 1837 therefore may, I think, be fairly reckoned as the first year of the existence of this colony. Looking at the progress which has been made from the year 1837 down to the present time, taking into consideration the property which is there embarked, and considering the revenue which is there raised, and considering also the few sources from whence that revenue proceeds, I do not apprehend that there would be any difficulty on the part of the colony paying its own expenses and meeting the interest of that debt at the present moment, until its future prosperity shall enable it to pay off the principal. The amount of the population at the present moment may be stated at 15,000 people; the revenue now existing may be stated at 30,000*l.* a year; that revenue, however, arises from few sources. The articles on which duty is paid are ardent spirits, wines, tobacco, charges on licences and publicans, store-keepers, and auctioneers, the latter recently imposed. Now, when I find a revenue of 30,000*l.* a year arising from those few sources, and when I consider the possibility of applying customs duties to all other imports, and when I consider also the possibility of obtaining a fund, which I think might easily be obtained by a payment per head for the depasturing of cattle and sheep, which is now arranged by a payment per square mile, but from which I believe nothing has hitherto been received; and when I consider the possibility of a tax upon the transfer of property, which I think might be beneficially introduced; when I consider all these

these circumstances, and when I look at the progress which the colony has hitherto made, I cannot entertain a doubt that a revenue equal to the expenses of the colony, including the interest of the debt, would without great difficulty be raised.

837. At what amount would you fix those expenses, including the interest of the debt?—There might be some difficulty in ascertaining it, but I should be disposed to say, that it would not exceed, if it amounted at present to, 60,000 *l.* a year, supposing there were a guarantee by Parliament for a loan to the amount of the debt, and we were able to raise money at a low rate of interest, not paying the colonial rate of interest.

838. Mr. *Wood.*] You have spoken of borrowing money upon the security of Parliament at a low rate of interest; is it your view, then, that whatever debt is created for carrying on the colony should be under the guarantee of Parliament, and consequently at such a rate of interest as money may be borrowed for upon good security?—Yes, I think we might fairly look to that. There would be no risk incurred, in my judgment, by this country, and it would just give that assistance to the colony which would enable it to meet all its difficulties.

839. Then for the success of a scheme for founding a colony upon this principle, it seems to be required that the requisite capital for the outfit should either be raised by the parent country, or borrowed under a guarantee of the parent country?—I confess that the outfit of a colony of this description is so large, and I think, as a question of policy for the country, the object is so important, that it would be reasonable that there should be a certain degree of guarantee with respect to the debt that might be created by it. I am not prepared to ask for this colony, or for any other colony, that there should be a shilling of expenditure on the part of this country, but I think a guarantee is very different.

840. Was the colony of South Australia founded under any such guarantee?—It certainly was not.

841. Do you consider the financial embarrassment to which it is at present subject as arising from the want of such a guarantee?—In some measure that may be so, because the rate of interest is large, but I could not say that it has arisen entirely from that.

842. Supposing a guarantee from Government for founding colonies on this plan not to be attainable, should you think it expedient that they should be undertaken, subject to the liability of having to borrow money for the outfit, at the rate of 10 per cent. interest per annum?—I think that a great deal of experience has been obtained by the working of this colony. I think many of the expenses we have incurred might have been very much diminished if we had had more experience; for instance, the surveys of land have been carried on at a very heavy expense. I believe that expense may be considerably diminished. I have already stated that I think that some of the public buildings erected in Adelaide have been erected somewhat prematurely; that they might have allowed a longer period to elapse before they laid out so large a capital in the erection of buildings; and there has been also considerable expense incurred in the surveys of lands which are not yet selected and purchased; but I think a great deal of that might have been saved to the colony in its present state of existence with greater experience, and, perhaps, with some more prudence.

843. Lord *Eliot.*] Might not the present financial difficulties have been altogether avoided if a charter of incorporation had been granted to a company with a sufficient amount of capital to meet the necessary expenditure of the new colony?—Perhaps it might; I have not considered the subject sufficiently to give a decided answer to that question.

844. *Chairman.*] Was not that the original proposal made by you as chairman of the association to the Secretary of State in 1834, namely, that there should be a joint stock company with a paid-up capital?—That I am inclined to think was the original proposal. There were several points considered, and various modes were devised for carrying it into effect, and I think that was one.

845. Are you aware why that scheme was abandoned?—My impression is, that there was an objection on the part of the Government, but I cannot charge my recollection distinctly with it. There were several projects at the time.

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846. You have not lately referred to the correspondence upon that subject which took place with the Government?—I have not.

847. Mr. *Raikes Currie.*] Do you consider that it might be a wise policy in the mother country to give to a new colony the advantage of a low rate of interest, by guaranteeing loans for the outfit and the early expenses of the colony, on the security of the unsold lands?—I should answer that with some degree of caution; because a great many projects may be on foot, which will not turn out so well as I think South Australia has turned out. There may be a question as to locality; there may be a question as to healthiness; there may be a question as to the nature of the land. I think you should be cautious how you give too great facilities in the establishment of new colonies; but at the same time, having ascertained the ground upon which you are proceeding, and having reason to believe that the colony is likely to succeed, I should say then it is but fair that this country should assist the colonists in obtaining the money necessary for their outfit at a low rate of interest; but I should be cautious how I admitted that principle with regard to all new projects.

848. Mr. *Hope.*] Referring to the answer in which you stated that you consider that 60,000 *l.* a year might cover the interest of the debt and the expenses of the government; can you give the Committee any particular data upon which you calculate the expenses of the government?—I have taken the expenditure at what I believe to be about the actual state of things; I should say there ought to be a much greater degree of economy than has been practised.

849. You reckon the interest of the debt to be at four per cent.?—Four or five per cent.

850. You state that you conceive that 210,000 *l.* would be the sum now required, and you add to that the 80,000 *l.* which has been already borrowed?—I am not yet aware of the amount of the debt which has been borrowed; I have not seen any documents which would enable me to state it.

851. Then when you mention the sum of 60,000 *l.*, you speak merely from a general idea upon the subject?—Yes.

852. Mr. *Wood.*] Are the Committee to understand that it is your opinion that the colony in its present state would easily bear to have a revenue levied upon it to the extent of 60,000 *l.* a year?—That is decidedly my impression, and I will state the grounds upon which I go: the revenue in the first year of the colony's existence, 1837, was under 400 *l.*, and the growth of the revenue up to 30,000 *l.* has gone on from that period, showing a progress of the most extraordinary rapidity; and when I consider that it is derived from very few articles, and that it may be derived from many other articles, I do not entertain any doubt that they would be enabled to raise a revenue which would meet the expenditure.

853. The power to furnish a revenue in any country must of course be dependent upon the prosperity of the inhabitants?—Yes.

854–5. Lord *Mahon.*] Then you do not conceive that in an infant colony a revenue to the amount of 60,000 *l.*, to be raised upon a population of 15,000, that is, at the rate of 4 *l.* per head, would be exorbitant?—I certainly am of opinion that there might be some degree of pressure upon the colonists at the present moment, but I do not see that there would be any difficulty in raising that revenue upon the colony. I believe it to be the general impression of those who know more of the circumstances of the case than I confess I do, that it might be raised without difficulty.

856. Can you name any other colony, even among those which have been longest established, where a similar rate of taxation of 4 *l.* a head is paid?—I have not looked sufficiently into it to be able to judge of that.

857. Sir *Wm. Molesworth.*] Are you aware that in the other Australian colonies of New South Wales and Van Diemen's Land, the rate of taxation upon the free population has exceeded 8 *l.* a head?—I have not looked into it.

858. Lord *Eliot.*] Is there not reason to expect a rapid increase of the population, judging from past experience?—That is what I look to.

859. Captain *A'Court.*] You contemplate an increase of the population, and a reduction of the expenditure?—A great increase of emigration, and an immense increase of the capital of the colony.

860. Lord *Fitzalan.*] Would not the pressure which the colonists might feel if

if the taxation were to the amount of 4 *l.* a head, deter others from going out, knowing that pressure to exist, which they soon would know?—In the first place, I think the pressure would be but transient; it would not last long, provided the colony continues to make the rapid progress that it has made hitherto: we are now looking at the colony in the fifth year of its existence; it possesses a population of 15,000 people; it has raised a revenue of 30,000 *l.* a year, upon very few articles; it possesses a very large amount of sheep and of cattle, and various species of property, which are rapidly upon the increase; and therefore, even supposing there were a certain degree of pressure at the present moment, I think it would be a pressure that every day would lighten. The only difficulty I apprehend with regard to this colony is, that statements may be made in Parliament tending to prove that it is in a state of adversity rather than, as I conceive to be the fact, of prosperity, and thereby its progress may be retarded. But if no such statements are made, or they are met by counter-statements, and the public mind is disabused upon the subject, I entertain no doubt of the rapid progress that the colony will make; and I think that we may, to a certain degree, consider that the pressure at the present moment will become a matter of trifling consideration in the course of a few years.

861. Lord *Howick.*] In estimating the probable pressure of taxation, should not you also advert to the ordinary rate of wages and profit of capital in the colony?—Certainly.

862–3. Those rates are at present extremely high?—They are.

864. Can you state at all what the wages of a labouring man are?—No, I cannot give a distinct answer to that; but they are very high indeed.

865. The ordinary rate of interest in the colony is not less than 10 per cent.?—No, I believe it is considerably more.

866. Do you conceive, therefore, that with this high profit upon capital, and these high wages, the population can well afford to bear a pressure of taxation which would be too heavy in countries differently circumstanced?—Unquestionably.

867. Mr. *Wood.*] When you state 60,000 *l.* a year as your estimate of the expenditure, and for the interest of the debt, are you taking the sum which you consider necessary, or a sum in excess?—I have, certainly, taken a sum in excess; I have taken round numbers.

868. Is the estimate of 60,000 *l.* founded upon what you suppose to be the expenditure at present going on in the colony?—As I understand it, at present the ordinary expenditure may be taken at about 40,000 *l.* per annum, and to that I add 20,000 *l.*, as interest upon the debt and contingencies.

869. Does that 40,000 *l.* include any kind of expenditure which ought properly to be considered as outfit rather than annual expenditure?—I think it is difficult to form an estimate upon these matters. It is more difficult, inasmuch as there is no possibility on the part of the colonists of controlling the expenditure. We are in the hands of the governor and the council, and there is no possibility on the part of the colonists of either controlling or looking into the expenditure and the taxation.

870. You consider that the sum of 60,000 *l.* is likely to furnish money for the payment of the interest upon a debt extending to somewhere about 400,000 *l.*?—I should hardly contemplate the debt being so large as that; I fancied the debt would be limited to about 200,000 *l.*, or 250,000 *l.*

871. A revenue of 60,000 *l.* a year, would leave a sum of 20,000 *l.* a year applicable to the interest of the debt?—Supposing the expenditure were confined to 40,000 *l.* But I feel that I am so without data upon the subject, that I can only make a rough guess.

872. *Chairman.*] In your estimate of the expenditure, are the Committee to understand that you exclude the expenses of the survey department, which have been hitherto very heavy indeed?—I am rather inclined to think that the surveys are included.

873. Have you looked at the statement now shown to you; in page 148 of the printed Papers of the civil establishment of the colony, including the police and the survey department, one item in the survey department being 20,000 *l.* for the payment to labourers?—I never saw this before; but I believe this survey was quite an extra expenditure, and that we are considerably in advance in the

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surveys. At the present moment the number of acres of land sold in South Australia is 282,121, and of land surveyed 346,000.

874. In forming your estimate of the future expenditure, have you proceeded upon the principle which you stated you should wish to see acted upon, namely, that the expenses of the survey department should be thrown upon the land fund, and not form a charge upon the general revenue?—I have not taken that sufficiently into consideration; but I should also state with regard to the expenditure, that there is one item which is very large, and that is the police. I think that is rather a hardship upon the colony, because the reason for that large amount of police is, that there are several convicts that have found their way into the settlement, and from thence arises the necessity of a very large police. The quantity of police at the present moment is 54 constables and serjeants, in a population of 14,000 or 15,000, which is an enormous police.

875. Over what area are those 15,000 persons dispersed?—I am not prepared to say; but I think it would be a population in which there would be very little crime indeed, and therefore a necessity for only a very small police, provided there were not the element introduced of runaway convicts.

876. Mr. *Vernon Smith.*] Was that expense not contemplated on the first foundation of the colony?—No; we did not expect that runaway convicts would find their way there.

877. Has not that been a necessary result of the proximity of the colony to the penal settlements?—All that is true; but I mention that as leading to a much larger expenditure than would otherwise have been necessary, and larger than could have been calculated upon beforehand.

878. Lord *Howick.*] But still, how can you justify the expression that it is a hardship for the colony to be required to provide for their own security in this respect?—It is one thing to judge of a thing after the result, and it is another thing to foresee all contingencies that may arise in a new case; and, therefore, although we might be charged with some imprudence in not foreseeing it, I am not inclined to think that mankind generally would carry their views so far till it is shown by experience.

879. When you state that it is a hardship upon the colony to be required to provide for that amount of police because the necessity of it arises from the escape of convicts, do you mean to imply that that expense should be thrown upon this country?—I only mention it as one of those circumstances which rendered a larger expenditure necessary than would otherwise have been required.

880. Then you mean to express the opinion merely that this has been the cause of a larger expense than was expected, but not that that expense has been improperly thrown upon the colony?—I have not expressed any opinion upon that subject.

881. You think that, in point of fact, it was just that the colonists should pay for their own protection in this manner?—I believe it is a great question with regard to any of the colonies there, how far the Government ought or ought not to bear a portion of the expenses of the police, rendered necessary on account of their sending convicts from this country to their neighbourhood.

882. Are not the cases of New South Wales and of South Australia completely different, inasmuch as South Australia was founded in this particular situation by parties who professed that the colony was to be no expense to the mother country?—No doubt that is the case; I only mention it as one of the elements which has led to a large expenditure which we did not sufficiently calculate at the time.

883. Lord *Eliot.*] Do not you think it is the duty of the mother country to take measures to prevent the escape of convicts who are detained there for the purpose of punishment?—It is a duty which they ought to perform if possible; but I doubt whether it be possible.

884. *Chairman.*] When you say convicts, do you mean those who are under sentence of transportation, or do you include those over whom, their sentence having expired, the Government has no control?—I mean those under sentence.

885. Can you state the number of such persons that have found their way into the colony?—I cannot. When I saw the amount of the police establishment, I inquired how it came to be so large an amount; 54 policemen for a population of 15,000 appears excessive; it is much larger than any amount of police in this country; and I was told that the reason was that several runaway

runaway convicts had come into the colony, and that thence arose the necessity for that large police.

886. Lord *Eliot.*] Could the original founders of the colony reasonably have contemplated the omission of proper precautions on the part of the authorities in New South Wales to prevent the escape of convicts?—It certainly did not enter into their contemplation.

887. Lord *Mahon.*] Are you not aware that the number of convicts now imported into the neighbouring colonies is much less than it was when the first settlers went out to South Australia, and therefore that inconvenience is much less now than might have been contemplated at the period of the formation of the colony?—I am not aware of the circumstances with regard to convicts being sent out.

888. Mr. *Wood.*] Did you contemplate the colony being without any establishment of Queen's troops in it originally or during its progress?—I cannot say that we took sufficiently into consideration all the circumstances which have occurred since. I do not immediately recollect whether we did contemplate that circumstance, but I perfectly recollect the opinion given at the time that the population would be one of a purer character than is generally found in a large population, and therefore that the expenses for all those objects, for defence and police, would be small.

889. If there were a small garrison of troops in the colony would so large a police be requisite?—I should say certainly not.

890. Would not any infant colony, wherever established, be liable to inroads of some description, of marauders and lawless squatters, that would require an active and somewhat numerous police?—I should say, from our experience, that that would be the case.

891. Then this state of things is not peculiar to the colony of South Australia?—Except inasmuch as it is within a certain distance of convict settlements; but there would be found in all colonies some source of disturbance of the public peace upon which the colonists would not sufficiently calculate beforehand.

892. Sir *W. Molesworth.*] Did you expect that there would be an overland communication with New South Wales?—I think we did not.

893. Mr. *Wood.*] Have there not been in all colonies great difficulties experienced from the aborigines or lawless borderers, subjecting the colonists to great expense in protecting their property?—I think so.

894. *Chairman.*] Are you aware that, irrespective of any convicts that may have found their way to South Australia, collisions between the aboriginal natives and the settlers have taken place, which have rendered it requisite to keep up a police force?—I am not sufficiently aware of the circumstances.

895. Have you seen a memorandum of Colonel Gawler's, dated the 26th of February 1840, in which he states that the police is insufficient for its present duties, and states one object for which the police is necessary to be, the prevention of fatal collisions between the natives and overland stock parties?—I have had no access to those papers.

896. Do not you think it is evident that with a pastoral population, in charge of flocks and herds scattered over a large extent of country, a police to a considerable extent, in proportion to the population, must be necessary to prevent such collisions?—Probably it must.

897. Lord *Eliot.*] Are not special surveys at present a source of considerable inconvenience to the colony, by preventing a portion of the surveying force from going on with their regular duties, and occasioning a premature necessity of making roads and bridges and other communications?—I am not sufficiently aware of the details connected with the survey department to give an answer to that question.

898. Does not that appear to you to be the necessary consequence of a system of special surveys?—Perhaps it is; but I should like to give the subject more consideration before I gave a decided answer to that question.

899. Do you think there would be any injustice in charging parties who require special surveys with the expense of making them?—I would rather consider that before I gave an answer to it.

900. Have you any further facts to lay before the Committee upon which you found your opinion, that no loss will ultimately accrue to the finances of this country on account of the present debt of South Australia?—Having stated the

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the population, I should state that the colony was, at the last accounts, in possession of large flocks of sheep and herds of cattle, of a town of considerable importance, of considerable shipping interest—I mean considerable compared with its infancy—and that in point of fact the capital which is embarked in that colony is a very large one indeed. The number of sheep I see stated at 180,000; the number of cattle at 15,000. I have here a statement, drawn up by Mr. Angas, making the amount of the capital of the colony about 2,500,000 *l.*; I have looked it over with as much caution as I can, and it appears to me to be a correct statement.

901. Will you have the goodness to give that in?—

[*The same was delivered in, and is as follows:*]

STATISTICS of *South Australia.*

VALUE OF STOCK:		£.
180,000 sheep, at 1 *l.* 15 *s.* each		315,000
15,000 cattle, at 15 *l.* each		225,000
1,500 horses, at 50 *l.* each		75,000
3,600 pigs, at 3 *l.* each		10,800
400 goats, at 4 *l.* each		1,600
Superior stock, extra cost and importation		5,000
	£.	632,400
To Australian Company's capital		300,000
To Australian bank ditto		100,000
To 600 Germans' property		20,000
To lands paid for		261,240
To colonial ships, boats, &c.; three steamers		30,000
	£.	1,343,640

	£.	
Public buildings	40,000	
Houses at Adelaide:		
816 brick and stone	244,800	
1,588 wood and pisi	238,200	
Village and country town erections	50,000	
Improvement in lands by the colonists	50,000	
House furniture for 2,404 houses, at 50 *l.* each	120,200	
Same for villages and country towns	10,000	
Clothing 14,000 people	50,000	
Agricultural instruments, carts and waggons	20,000	
Twenty mercantile firms, aggregate amount of merchandise	200,000	
Retail shops, stocks on hand	50,000	
Government stores	30,000	
Money in the hands of colonists	30,000	
		1,133,200
Property in the town of Port Lincoln		30,000
	£.	2,506,840

This capital, at 15 per cent. profit, will yield 376,026 *l.* per year.

ANNUAL PRODUCE OF THE SETTLEMENT.

	£.
Sheep wool, 180,000 sheep	45,000
Hides and goats' hair	3,000
Grain, &c., produce of the harvest	15,000
Produce of oil and whalebone	30,000
Produce of sheep, cattle, horses, pigs. &c., one-third per cent.	211,000
£.	304,000

Besides rents of houses, roads, &c.

902. Have

902. Have you any suggestions to offer to the Committee with regard to the future management of the colony?—I should be disposed to say that at some period or other—I think it should be at an early period—there ought to be some degree of control given to the colonists over their expenditure and their taxation, and if that were done, I believe that no difficulty whatever, in a financial point of view, would occur to this country.

903. With reference to the Acts now in force regarding South Australia, are there any particular alterations and amendments which you think it desirable to introduce?—I am not aware of any at this moment. Supposing a guarantee of the debt which now exists to be given by Parliament, I should be disposed to recommend some greater degree of control over the expenditure and the finances of the colony than exists on the part of the colonists.

904. *Chairman.*] Would not an alteration in the Act of Parliament be necessary to carry out a modification of the principle laid down in the original Act, as to the application of the gross proceeds of the land sales exclusively to emigration?—Certainly.

905. There is no power at present of applying the proceeds in any other way except by borrowing from the one fund for the other?—No.

906. Mr. *Raikes Currie.*] With regard to the price of land, do you think, now that the experiment has been tried, that the value conferred on land by the transference of a complete society, and by the establishment of a metropolis in a new country, would justify a price considerably higher than 1 *l.* per acre for such land as the good land in South Australia?—I am inclined to think it would; I should say so distinctly, when I look to the circumstance to which I have before adverted, that the ground is already cleared. One of the great difficulties that settlers have originally is in clearing the ground: I understand that in Kangaroo Island, which is within the precincts of South Australia, it costs 15 *l.* an acre to clear. I am told that in New Zealand it is estimated at from 20 *l.* to 30 *l.* an acre to clear, and that in Canada it costs 4 *l.* to 5 *l.* an acre to clear, whereas in the good land of South Australia there is no clearance necessary; therefore I think a higher price might be charged for it.

907. The question referred rather to the additional value conferred by a system of concentrated colonization than to the value of the land itself?—I think we require some little time still to ascertain the whole value of that experiment; but judging from the facts before us, I should be inclined to say that it would bear a higher price than what is now paid. I should wish to offer this suggestion, that in all colonies of this nature I think it is exceedingly desirable to contemplate that which was not sufficiently contemplated at the time of the original association, namely, sufficient capital in the colony, as well as sufficient land and labour. I think the error that we were led into was not looking sufficiently to the amount of capital which was required to carry on the objects of colonization; and I think that is an error into which colonists are very apt to fall; and I think it but justice to the South Australian Company to state that I believe the formation of that Company, and the admirable manner in which they have conducted the whole of their concerns, is the source to which the present prosperity of the colony is mainly attributable; and I should be very much afraid of the success of a similar experiment, if, as was too much the case in our instance, land and labour were the subjects solely considered, and capital was left as a matter without sufficient consideration; I think that is a matter of great importance with regard to the principle of colonization.

908. *Chairman.*] Do you mean that you attribute the influence of the colony, and its rapid progress, to the efforts made by the South Australian Company, which may be regarded as an accident unprovided for by the original Act?—Clearly that was my view; I should be disposed to say that the great difficulties are in the earlier stages of the colony, and that if you can once get over the difficulties attending its infancy, almost all colonies that are tolerably well situated will thrive more or less; but that without the aid of a body of capitalists prepared to carry out the principles of colonization, and to assist the colony in its earlier stages, all colonies run great risk of failure.

909. On the 6th of July 1833 you addressed a letter to Mr. Stanley, then Secretary of State for the Colonies, which was in these words: "I enclose you a project for founding a new colony on the southern shore of Australia, which, should it meet with the approbation of His Majesty's ministers, would, as I am informed,

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informed, be likely to be carried into effect by the capital required being raised in this country." Are the Committee now to understand that you still revert to that principle, and that in the formation of any new colony upon the principle of the South Australian colony, you would think it essential that capital should be raised in this country by parties interested in the formation of the colony previous to Parliamentary sanction being given to it?—Yes; but I contemplate more than merely the capital necessary for the purchase of land; that I suspect to be an error into which colonists are apt to fall; they imagine that if they have capital sufficient for the purchase of land they have accomplished the great object. I do not think so; I suspect that they require a much larger amount of capital than they have generally contemplated to carry on the cultivation of the land, and the necessary improvements in the colony after the purchase of the land.

910. You still would revert to the principle of a joint-stock company having a subscribed capital paid up?—I think I should, under all the difficulties of the case which I now see.

911. Lord *Fitzalan.*] Would it not be desirable always to have the land surveyed before sending out emigrants?—No doubt it would be exceedingly desirable that there should be a survey of the land, and a very accurate report with respect to the location. We were pressed for time, and that was hardly sufficiently attended to, but in all new colonies I think it most desirable.

T. Frederick Elliöt, Esq. called in; and further Examined.

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912. *Chairman.*] HAVE you any papers containing statistical information relative to South Australia, which you wish to lay before the Committee?—Yes; I propose to put in a statement of the public revenue of South Australia for 1839, and the first quarter of 1840. The substance of this account I gave in my evidence when last I was here; but it may be more convenient to the Committee as a table. (*The Witness delivered in the same.*)

Vide Appendix, (Paper, No. 13), p. 216.

913. Lord *Stanley.*] Are the Committee to understand that the papers which you are now putting in, are put in by yourself individually, or that they are papers furnished from the office of the Colonization Commissioners, and upon which the commissioners are therefore agreed?—They are papers furnished from the office of the commissioners, approved of by a Board, and signed by the secretary.

914. Do they bear the signature of one member of the Board who was a member of the late Board?—They are signed by the secretary.

915. *Chairman.*] Was the member of the Board, who was also a member of the late Australian Board present at the time, and did he sanction them?—He was not present, but that was accidental. I cannot doubt that he would concur in them, for they are prepared by the proper officer of the department, and they involve no matters of opinion. The next paper I propose to deliver, is a statement of the shipping in the year 1839, which is compiled from some bulky returns of the custom-house at Adelaide. The next paper I put in, is designed to save the Committee some trouble in considering the future prospects of the colony with regard to finance. It is a statement of the materials from which may be calculated the population of South Australia at the end of the years 1838, 1839 and 1840. Our returns are so defective, that we cannot state it at once as matter of fact. As matter of inference, the grounds appear in this paper.

916. Mr. *Raikes Currie.*] Are the German colonists included in this statement of the population?—Yes, they are included. I noticed that they had gone from Germany, and inserted them. The next paper is a statement of the yearly sales of public lands in South Australia, effected in England and in the colony, to the present time. The next paper is a statement of the monthly sales of public lands for the two years 1839 and 1840. These papers I will deliver in. (*The Witness delivered in the same.*)

Vide Appendix, Paper, No. 13), p. 216-219.

917. *Chairman.*] Have you any addition to make to your former evidence?—With reference to No. 4, amongst the statements delivered in by me on the 5th of March, called a Statement of Ways and Means, I observe that the surplus of assets in each month is not stated. It can be computed from that paper, but it may save the Committee trouble, if I just read to them a statement of what was the surplus in each month that appears in the return. This is a very

Vide App. p. 193.

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a very material circumstance. The return does not profess to be one of the whole assets and liabilities of the colony; but it shows what ways and means we had from month to month to carry on the business; and therefore, as affecting the question of the loan, it is the most important paper which the Committee can possibly consider. Since so much has been said of the supposed neglect to raise the loan till too late, these figures are, perhaps, worth attending to. In the month of January, our surplus was 59,000 *l.*; in February, 54,000 *l.*; in March, 57,000 *l.*; (more than we had the previous month; yet this was the month in which I have heard it said that we ought to have raised a loan, though I now show that we were richer than we were before,) in April, 48,000 *l.*; in May, 40,000 *l.*; in June, 29,000 *l.*; (this is the time when every member of the Board thought it was desirable to obtain a loan, but the misfortunes of the colony then occurred,) in July, 8,000 *l.*

918. Lord *Stanley.*] It was immediately after that that you addressed the letter of the 7th of July to the Colonial Office?—Yes.

919. *Chairman.*] Is the paper to which you wish to make this addition, and from which you deduce these results, delivered in upon your own responsibility, or does it come from your office, and is it delivered in in form by the commissioners?—All the papers that I have delivered in have been verified by the signature of the proper officer of the Board.

920. Mr. *Wood.*] Might there not fairly be a difference of opinion as to the proper time to apply for a loan, even when you had a large sum of money in hand to meet immediate engagements, if you were convinced that in a few weeks or months a large sum would be required, which must be raised by way of loan?—I am very glad to have an opportunity of answering that question. I must just preface my answer, however, by explaining that we did not on the first of the month look at the accruing claims only for that month; we always took two months in advance. Now when we had so large a sum of money in our chest as we had at the beginning of all the earlier months, I do not know upon what reasonable ground we could bring upon the colony a very heavy charge for interest upon a loan. I think that if we had been left to our own unassisted judgments, we should have thought it unwise. But, moreover, the very Act of Parliament under which we were discharging our duties particularly guarded us against falling into such an error, and pointed out that when there was a surplus in the Emigration Fund, we were to use that money in order to save interest. Perhaps the best way of illustrating the merits of the present question is to consider what reason any member of the Board could have alleged for raising a loan. We could easily foresee that we should not require it till the end of July, in the natural course of events. The only valid reason for raising it earlier, that subsequent events have taught us, would have been this: perhaps if we wait till July or August, the circumstances will be such that it will be dishonest to take the loan: (for this, I have already informed the Committee, was the only circumstance that prevented our getting the loan eventually). Now, could any man have told us that we were to go and entrap the money-lender into parting with his money in June, because we feared that it would be dishonest to take it in August? I do not mean that any such reasoning was ever actually addressed to us, but I put the case as an illustration.

921. But, with prudent foresight, might it not be desirable, as soon as you were convinced that before the termination of the year a loan would be required, if the money market was in a favourable state for contracting a loan, to take advantage of that circumstance, as changes might arise which might make the money market less favourable, and none were likely to arise to make it more favourable; and is not it usual in contracting for loans of a large amount to have a condition that they shall be payable by instalments?—Of course we never omitted to advert to the circumstance that it would be convenient that we should take our loan in instalments; but we did not put it off till a time when the taking it by instalments, if we had succeeded in raising the loan, would have exposed the colony to inconvenience. With regard to the state of the money-market, I have already said that we did not put off the loan till it was impossible to get it, but that, at the proper time for raising it, circumstances did not allow of our accepting it with good faith.

922. *Chairman.*] You were asked the other day whether you could prepare an estimate of the probable expenses of the colony, including the interest of the loan, for the next few years, and the probable amount of revenue to meet

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those expenses; have you been able to prepare such a statement?—I have got together the data; I have not yet drawn them out into the form of a tabular statement, because, to say the truth, they are hardly sufficiently certain to enable me to hazard an actual table founded upon them.

923. Will you state the results of the information you have collected upon the subject?—The course of proceeding I adopted was this: I endeavoured to ascertain the population of South Australia at each of the principal periods for which we had returns of its revenue; I then compared that with the revenue, which gave the rate per head, and upon these data I founded an estimate of the probable future revenue. I then looked rather extensively into the establishments of all the other Australian settlements, and made a calculation showing the charge per head for the principal administrative departments there; and I compared those with Colonel Gawler's. I think the best way of proceeding will be, as so many of the Committee seemed to think that the statement appended to his Minute of April 1840 was not unreasonable, first to show what that amount of establishment would cost the colony, and then to suggest any reductions that occur to me as possible. The population of South Australia can be stated very simply: at the end of 1838, I estimate that there were 5,000 people; at the end of 1839, 10,000; (doubled therefore in one year, which is rather material to some parts of Colonel Gawler's arguments in his own favour;) at the end of 1840, 15,000. As there are no authentic returns, I have prepared a statement of the data on which these estimates are founded, and it will be found, under the head of Population, amongst the papers I have delivered in to-day. In the last quarter of 1839, we know that the revenue was about 23,000*l.* and the population being 10,000, it was rather more than 2*l.* 5*s.* per head. Now for the first quarter of 1840 the revenue was about 29,500*l*; I add to the former population of 10,000, 1,500, being the emigration of three months from September to November 1838, (for we know by experience when they are likely to arrive,) which gives a population of 11,500 for the first quarter of 1840: the rate per head therefore for that quarter was 2*l.* 11*s.*, a higher rate than the previous quarter. Now before going to the present year, it may give the Committee more confidence in the calculations to give a few facts about the other Australian settlements, as to the rate per head of the revenue. In Van Diemen's Land, in 1835, the rate per head of the colonial revenue, exclusive of that from land, was about 2*l.* 9*s.* per head; and in 1838, 2*l.* 2*s.*

924. Sir *W. Molesworth.*] Do you include the convicts in the population?—I do.

925. Can you state what proportion may consist of convicts?—I cannot state it from memory. In 1835 I estimate the population of New South Wales at 72,700: for by the census of 1833 the population was 60,700, and adding two-thirds of the increase up to the year 1836, that is 12,000, I make the population, as I have said, 72,700. The colonial revenue, exclusive of land, was 184,487 *l.*; the rate per head was 2 *l.* 11 *s.* This was in 1835. In 1838 I estimate the population at 90,000; because by the census of 1836 it was 77,000, and adding the same increase as before for two years, 13,000, the sum is 90,000. The colonial revenue of 1838, exclusive of land, seems to have been 195,074 *l.*; the rate per head therefore was about 2*l.* 4*s.* In Western Australia in 1839 the population was 2,200, the revenue 4,418 *l.*; the rate per head about 2 *l.* Now, from all these statements combined, taking the two convict colonies of Van Diemen's and New South Wales, and the two free colonies of Western Australia and South Australia, I think it may be concluded that a well-situated population, settled in Australia, will yield without difficulty a revenue varying from about 2 *l.* to 2 *l.* 10 *s.* a head.

926. Lord *Stanley.*] Are the revenues upon which you calculate in all these colonies, of the same description, arising entirely from duties of import?—Much the largest proportion arises from duties of import. There are, however, productive taxes in the shape of licences, and duties on auctioneers and other sorts of direct imposts. To return, then, to South Australia. The population at the end of 1840 amounted to 15,000: at the rate of the revenue in the first quarter of the year 1840 the income would amount to 37,500 *l.* a year, or at the lower proportion of the last quarter of 1839, it would still amount to about 33,750 *l.* per annum. But allowing for possible distresses, for the cessation of the heavy government expenditure, and for the diminution of the imports, which I think may very probably have been swelled by the number of passen-

ger-ships

ger-ships going out in the more prosperous times of the colony, it might be more safe not to reckon the revenue at more than 30,000 *l.* per annum.

927. *Chairman.*] Without any supposed increase in the population?—I am the more disposed to reduce the estimate to 30,000 *l.* because we must not conceal from ourselves that there is a risk of emigration, and though I have shown strong concurrent authorities in favour of my estimate of the population, I am sorry to say that some remarks in the last newspapers from the colony seemed to prove that some of the people are gone.

928. You mean emigration from the colony to other neighbouring colonies? —Yes; I have made no allowance for additions by births. In the last accounts they estimate the people at less than the mere immigration ought to have made it.

929. Lord *Mahon.*] To what other colony are they supposed to have gone? —Some are said to have gone to New Zealand. I suppose they have gone both to New South Wales and Van Diemen's Land also.

930. Mr. *Raikes Currie.*] Is there any actual statement of some having gone from the colony?—No official statement; but I have a recollection of having heard that some, I know not how many, have gone to New Zealand. I ought to mention, that there is, on the other hand, an immigration from the adjacent colonies; they come in with their flocks to sell them, and some remain.

931. You have no documents which show the rate of increase, independently of immigration, according to the register of births?—None.

932. Lord *Fitzalan.*] Of what date are the newspapers which stated that some had gone?—The date is either in June or July 1840. I think the paper is one called "The South Australian Register."

933. Mr. *Hope.*] Do you know any colony where as much as 4 *l.* a head is paid by the population to the revenue?—It is very likely that the accounts I have now given may appear to conflict with others, because some persons may include the land revenue also, which, in the present case, I have of course excluded, as it is appropriated to other purposes than those I am contemplating. Again, if any one merely refers to the general return of the revenue, or of the expenditure of either of the two convict colonies, that will include a large sum paid by Great Britain. Under the head of revenue will come the contributions by Parliamentary grants, and under the head of expenditure will come money paid through the means of those contributions.

934. Have you seen any statement making the revenue of New South Wales 3*l.* 17 *s.* a head?—I dare say, including land, it might not be incorrect.

935. You do not know whether that is done by including the land, or by excluding the convict population?—I am certain that if it neither includes land, nor the grants in aid, it is greatly beyond the truth; but it is probable that any private person, not familiar with the state of those colonies, would make such a statement, and make it without the least intention of inaccuracy, by only taking the sum total at the foot of the page showing the revenue, and not deducting the receipts for land.

936. *Chairman.*] Have you now completed your statement as to the estimated revenue?—I have.

937. Lord *Stanley.*] Have you any documents which will show the comparitive prices of different articles in the colony, from the earliest period down to the present time, and will exhibit the fluctuations which have taken place?—We have nothing of that kind; we have one return by a Board of officers in the middle of the year 1839, showing the prices at the moment of the principal articles of necessity. That document will appear amongst the despatches which we propose to present to the Committee from Colonel Gawler's correspondence.

938. *Chairman.*] Are you able now to furnish the Committee with an estimate of the probable expenditure?—I was desired to produce a sort of budget, and I will try. But I would just state, once for all, that I hope the Committee will remember that it is a budget for a colony from which the first statistical account ever received, arrived about three weeks ago;—from which, reckoning from the beginning up to the present time, we have complete accounts for only one quarter of the year; and finally, that this place is at nearly the most distant point of the globe.

939. The estimate that you are about to state is an estimate of what you think will be indispensable for the maintenance of the colony?—The course I pro-

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pose to follow is this: first, to show what would be the expense for Colonel Gawler's existing establishment, as stated in these papers; and secondly, to mention, which I must do with very great diffidence, the items in which there occurs to me a possibility of reduction. By Colonel Gawler's return, appended to his Minute of April 1840, in page 133 of the printed Papers, I observe that the rate per annum of all the government establishments is about 20,600 *l.* Deducting the charge for police, which I observe to be at the rate of about 5,800 *l.*, I may be allowed to call the charge for all the other establishments, in round numbers, 15,000 *l.* Since last I was here, I have sent to the Audit-office, and got the detailed accounts, of which this document is an abstract; and as far as I can understand them, this sum of 15,000 *l.* consisted entirely of fixed salaries, excepting a few charges under the head of the post-office, and the coroner. Here, then, we have the fixed salaries, and the next object is to try to ascertain the contingencies. To obtain them I turn to page 134. I have tried very much to ascertain the meaning of the charge at the rate of about 18,900 *l.* a year for stores for the colonial storekeeper. I find that in this last quarter of 1839, one charge of 2,000 *l.* was for a special purchase of rice, from fear of a scarcity. Colonel Gawler was authorized to resort to such a measure if he saw sufficient ground of apprehension. That reduces the storekeeper's department from the rate of 18,900 *l.* to 10,900 *l.* per annum. On referring to the list which the storekeeper has sent home, I cannot help still hoping that he does, in the first instance, receive some of the stores for the police, and for the immigration department, which he may deal out to those departments as required. I think, from the nature of the articles mentioned in the list, that this is not impossible. However, if 900 *l.* be allowed for articles of that kind, there remain 10,000 *l.*, which I think must be assumed to be for the contingencies of the civil establishments, for furniture, stationery, lights, and other objects of that kind.

940. Was the rice so bought by the Government in the apprehension of a scarcity, sold to parties in the colony, and the money carried to the credit of the colonial storekeeper?—No; after the rice was imported, the price of the article had fallen. However, the Governor tells us that he can make very good use of it for the establishments of the colony; for aborigines, and also for the surveys and other departments in which labourers are employed. I repeat then, that we have 10,000 *l.* per annum in the storekeeper's department, which I assume to be for contingencies in the civil establishments. Throughout this statement I am, for the present, intentionally setting aside the police, land, and survey departments, and the harbour-master's department. The next items that I find on page 184 are, "Expenses of Conducting Prosecutions," and "Passage-money of Prisoners and Guards to Sydney." Those are at the rate of about 990 *l.* a year. The next item coming under the head of "Contingencies," namely that of printing, is at the rate of about 2,000 *l.* a year; and I find no other items in the list which I should put under the head of "Ordinary Contingencies of Government Departments."

941. Lord *Stanley*.] Must not you include also "Sundry Miscellaneous," and "Pensions on account of Home Government"?—The pensions are payments to out-pensioners of Chelsea Hospital, and form a debt from the Home Government, which will be repaid.

942. What do you make the total amount of the articles you have now enumerated as the ordinary charge for the Government establishments?—To begin with fixed salaries, by Colonel Gawler's statement, 15,000 *l.*; then for contingencies, I have 10,000 *l.* for stores, 1,000 *l.* for judicial contingencies, and 2,000 *l.* for printing, making a total of 28,000 *l.* This, according to Colonel Gawler's scale at the end of 1839, is an indispensable expenditure, even if the police could be provided for by some special rate not at present falling upon the colonists. The survey department I assume to be charged to the land revenue, when there is one; and if there is no land revenue, only the permanent staff ought to be kept up; and of that I estimate the cost at not more than 2,300 *l.* The cost for police, by Colonel Gawler's scale, consists of 5,800 *l.* for salaries per annum, and 9,200 *l.* for contingencies, making 15,000 *l.* per annum. Now I have reduced the expenditure of the other Australian settlements to a rate per head, in order to afford me some guide in endeavouring to submit opinions to the Committee with regard to the South Australian establishments; and without going into detail, which would be extremely long, I will merely say that nothing can be more remarkable than the close agreement of the rate

per

per head in every large class of expenditure in New South Wales and in Van Diemen's Land. It is such as to give great confidence in drawing conclusions from the precedents of those colonies, making allowance of course for the different nature of the population. Looking then at the rate of charge for police in New South Wales and Van Diemen's Land, in the year 1838, it appears that the number of pounds sterling spent on police was about five-ninths, or rather more than half, the number of people in those convict colonies; in other words, the charge was a little more than 11*s.* per head, while the South Australian charge for police is upwards of 1*l.* per head, and this in a colony where there is no convict population. I confess that if the police is to remain chargeable to the general revenues of the colony, I should think the Government might fairly expect that it should be reduced one-half its present cost.

943. Have you any means of comparing the wages and salaries paid to the police in New South Wales, Van Diemen's Land and South Australia respectively; or any means of estimating the cost, not per head of the population employing, but per head of the police employed?—At page 148 the salaries and wages of the police appear to be stated; and I know that from New South Wales and Van Diemen's Land there are the most complete returns.

944. Will you have the goodness to examine those returns, and upon another day to inform the Committee what observations you have to make upon the respective scales of payment to the police in those different colonies?—I will do so.

945. Lord *Eliot.*] When you said that you thought the Government might insist upon a reduction of one-half of the cost of the police force, did you speak of a reduction in the number of persons upon the establishment, or a reduction in the expense of the force?—What I meant was, that I would not agree to pay more out of the colonial revenues; but that if the colonists thought that for the present they required the existing amount of force, it would be for them to consider whether they would raise means specially for the purpose.

946. *Chairman.*] Do you mean to express an opinion that, looking at the general rate of wages in the colony, the wages given to the police in South Australia could be reduced?—No; I have not sufficient information to offer an opinion upon that point. All I meant was, that if in two convict colonies a sufficient police can be provided at the rate of about 11*s.* per head upon the population, it seems to me that in a colony not penal 1*l.* must be an excessive provision.

947. Lord *Howick.*] Have you adverted to the fact, that in New South Wales a large proportion of the police are taken from regiments in which they are bound to serve; and that as they continue, though added to the police, under the provisions of the Mutiny Act unable to obtain their discharge, they serve at a lower rate than you can expect persons to serve who are not under engagements of that description?—No, I was not aware of that circumstance.

948. Sir *William Molesworth.*] Have you taken into account that a portion of the police in those colonies is paid out of the land revenue?—In looking at the charge for the police, I have included the total charge, whatever might be the source from which it was defrayed, with a very trifling deduction on account of contributions from the Home Government.

949. Mr. *Gladstone.*] Is not the colony of South Australia altogether without a military establishment?—It is.

950. Must not you expect a higher charge for police on that account?—I should not expect a higher charge for police on that account, except in so far as it arose from the soldiers, where there is a military establishment, being taken away from their regular duty, and employed as policemen; but I think the troops, in their own proper capacity, are not available for many objects of police.

951. Are not they available for some of the objects of police?—They are available for some of the objects, and it appears, from the tenor of a question just put, that they are rendered peculiarly available in New South Wales.

952. *Chairman.*] Have you compared the rate of weekly pay given to ordinary police constables in South Australia with the rate of weekly wages received at the same time by agricultural labourers?—I have not, but I will endeavour to ascertain it before I appear again before the Committee. Taking then 28,000*l.* for the regular establishments, if 15,000*l.*, the existing police

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charge, be added, there requires to be provided for a sum of 43,000 *l.* per annum.

953. That is excluding any expense on account of surveys?—Yes.

954. Does it provide for every other head of expenditure contained in this paper to which you have referred?—No; it excludes also "Stores" and "Sundry Miscellaneous," and it includes nothing for public works.

955. Why do you exclude "Sundry Miscellaneous Expenses"?—Because I propose to treat them as a separate item. The sundry miscellaneous charges, including under the same head some detached items such as "Botanist" and "Infirmary," appear to be at the rate of rather more than 2,800 *l.* a year, making a total of about 45,800 *l.* a year. Now, in this sum of 45,800 *l.* nothing is included for surveys, but if the sales of land fall off a permanent surveying staff must still be maintained, and I estimate the charge for this article of expense at 2,300 *l* a year; that makes 48,100 *l.* per annum. I must confess that, from the nature of the representations which Colonel Gawler has made, and which will be presented to the Committee, I do not see how it will be possible to dispense with an increase of the salaries of some of the principal officers of the colony. I think that augmentation will probably amount to 1,200 *l.* per annum; which gives a total of very nearly 49,500 *l.* per annum for establishments.

956–7. Mr. *Vernon Smith.*] Do you state that probable increase of the salaries of the principal officers relatively to similar salaries paid to similar officers in the adjoining colonies?—I believe they would still be low in proportion to the salaries in the neighbouring colonies, unless indeed Western Australia should be included, where the population scarcely exceeds 2,000. I beg particularly to guard myself against being supposed to assert positively, that 49,000 *l.* would be necessary to carry on the services of South Australia. I have merely, in obedience to what seemed to be the wish of the Committee, endeavoured, in the first place, to calculate what would seem to be necessary under the different classes of expenditure, assuming Colonel Gawler's statement, at page 133, to be not unreasonable; but I have mentioned that I should look to the police establishment with some hopes of reduction: and another article, in which I should consider that reduction might be possible, is the charge for marine stores and boats, now at the rate of upwards of 4,000 *l.* per annum. This item I have accidentally omitted in my recapitulation. It would raise the sum of 49,500 *l.* to 53,500 *l.* per annum.

958. *Chairman.*] Have you now completed your estimate of the expenditure?—Yes, of current annual expenditure. In order to endeavour to afford some sort of comparison, I may state that I find that in Van Diemen's Land in the year 1827, (which year I have selected because the population then was nearly the same as the population of South Australia now,) and in the same colony of Van Diemen's Land in 1838, the general colonial expenditure was at the rate of about 3 *l.* a head. In New South Wales in the year 1838, if I have rightly understood the returns in the Blue Books, the colonial expenditure, exclusive of immigration, which is provided for by the land fund, was at the rate of upwards of 4 *l.* a head. In Western Australia, a colony in which, from the exceedingly small population, it is impossible but that the expenses should bear a very high proportion to the number of people, the expenditure was at the rate of 5 *l.* 6 *s.* per annum.

959. Did not that expenditure in Western Australia include public buildings which were not a permanent, but a temporary expenditure?—In the figures I have now stated I have included all the expenditure for all purposes whatever for those colonies which are neighbouring to South Australia.

960. Have you, in the estimate of expenditure you have now laid before the Committee, as respects South Australia, included any expense on account of what may be termed "Outfit," to which your attention was called on a former day?—No; as far as I have yet gone, I have only been making a statement of the regular annual expenditure.

961. Mr. *Hope.*] What is included in the 4 *l.* a head in New South Wales; does it include the expense of the convict establishments?—It includes everything colonial except immigration.

962. *Chairman.*] Do you mean that it includes the expenses of the penal establishments in New South Wales?—No; I have only professed to state the sum total of the expenses falling upon and defrayed by the colony.

963. Is

963. Is not a large portion of the convict expenditure defrayed by this country?—No doubt; and that is not included in my statement. In the statement I have hitherto made to the Committee, I have merely adverted to the expenses which are annual, and must be continually recurring; but of course an allowance must be made for what Colonel Gawler calls "Outfit." In the case of Western Australia, regular sums were voted in the Parliamentary estimate to erect buildings, and other sums of money as rent of offices. It is hardly possible to offer an estimate in money of how much will be wanted for public buildings in South Australia; but at page 126 of the Papers delivered by Mr. Gairdner, the Committee will see stated by Colonel Gawler the buildings and works actually erected or in progress; and at page 127, the buildings and works which he describes as still wanted.

964. Are you able to state any sum as the amount which will probably be required under that last head during the next few years?—Colonel Gawler mentions, at the page I have referred to, that among the objects still to be provided for are wharves, public sheds, custom-house, and other works at the new port, also a city gaol, a new emigrant depôt, and an infirmary. I tried to make some calculation of the expenses of building a gaol, but I found it impracticable; so much must depend upon the price of materials and expense of labour. But suppose the gaol to cost 3,000*l.*, which I suppose is a moderate estimate, the infirmary 2,000*l.*, the depôt 2,000*l.*, the custom-house 2,500*l.*, and the wharves and other works 2,500*l.*, the sum total of those figures is 12,000*l.* But I must state that they are almost mere conjectures; there are no data to go upon.

965. That sum would have to be distributed over several years?—That sum ought perhaps to be distributed over some years. I would wish to add, that I am not now prepared to say that there would never be an occasion when an expenditure ought to be made upon roads. I think that for ordinary country roads the general revenue ought not to provide; but there will be particular roads of very difficult construction which may be close to the city, such as the communication which the company is now making between the city of Adelaide and the port, to which roads, if the community is not rich enough to effect the object by private enterprise, I suppose the Government must contribute some share.

966. Mr. *Hope.*] Does not the 4*l.* a head in New South Wales include a good deal for the construction of roads?—Certainly.

967. Mr. *Wood.*] Has the colony of South Australia been founded, carried on, governed and protected without any charge whatever down to the present time upon the parent country?—It has been founded and carried on up to the present time, without any charge to the mother country.

968. Is that the case with any other British colony?—Certainly not.

969. Is there any other colony dependent upon this country, which is not at the present time a charge upon the revenues of this country?—Unless it be for military purposes, there are many colonies which are not a charge to the mother country now.

970. Is there any colony which is not in one form or other a charge to the mother country in the way of expense?—There is no colony that I remember, except South Australia, where there are not at present troops; and the troops, without exception, are paid for by the mother country.

971. *Chairman.*] What is the gross amount of the items you have mentioned?—The gross amount is 53,500*l.*, which I hope it will be remembered, is not my estimate, but a statement of the result of Colonel Gawler's abstract. This sum is for current expenses, exclusive of all charges for buildings and works.

972. Would not you have to add to that the interest of the debt?—Yes.

973. Which you stated on the former day, assuming that the new debt of 210,000*l.* was to be incurred at a moderate rate of interest, to amount altogether to 16,000*l.* a year?—Yes.

974. Mr. *Hope.*] Do you conceive that the expenses of the Government will increase with the increase of the population?—I should hope not, for some time to come. I should hope that the increase will be all on the revenue side.

975. Lord *Eliot.*] Will you refer to the proviso at the end of the third clause of the second South Australian Act. What is your construction of that proviso? Do you think that that proviso was intended to apply to the balance of former years as well as to the receipt of the current year?—My opinion is, that

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by that clause the commissioners were bound at the end of the current year not to have a larger debt due to the emigration fund than one-third of the receipts during the year. But I do not think that if they had put the account into that state on the 31st of December in one year, they were at liberty immediately afterwards to borrow again and to increase the debt, unless the emigration fund increased so much as to give them new means of doing it.

976. Was there no instance of their having done so?—I have only been in the commission one year, and at the end of that year we were not in a condition to pay off the debt to the emigration fund, but if we had done so I should decidedly have objected to immediately afterwards increasing the debt again beyond one-third of the probable revenue of the year.

977. *Chairman.*] Would you include in the receipts of the emigration fund, in any given year, the balance carried over from the former year, and which had been included in the receipts of the former year?—Decidedly not; I should consider it most objectionable.

Veneris, 12° die Martii, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Viscount Howick.
Mr. Raikes Currie.	Lord Mahon.
Lord Eliot.	Sir W. Molesworth.
Lord Fitzalan.	Mr. Vernon Smith.
Mr. Gladstone.	Lord Stanley.
Sir George Grey.	Mr. G. W. Wood.
Mr. G. Hope.	

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

Samuel Mills, Esq. called in; and Examined.

Samuel Mills, Esq.

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978. *Chairman.*] WERE you one of the Board of Colonization Commissioners for South Australia?—I was.

979. When were you appointed?—Under the first commission that issued; I do not exactly know the date.

980. Did you continue to act as a commissioner till the dissolution of the late Board?—I did.

981. The Committee have had laid before them a copy of a letter from Colonel Torrens, the chairman of the late Board, to the Under Secretary of State for the Colonial Department, dated the 9th of December 1839, stating that "The Colonization Commissioners for South Australia request that Lord John Russell may be pleased to grant them the honour of an interview, in order that they may make a communication to his Lordship on the subject of their receiving remuneration for their services." From a letter received from you, the Committee understand that you wish to appear before them to make some statement on the subject of that letter?—That letter was certainly not authorized by the Board.

982. Do you mean that you did not concur in the application for an interview for that object?—Not only I did not, but I am prepared to state that that letter was not written by order of the Board; and if there is such a letter on the minutes, that minute is incorrect.

983. Will you look at the letter from which that passage is quoted—(*the same being shown to the Witness*).—Do you intend the Committee to understand that that letter was not written with the sanction of the late Board?—Not as requiring or requesting any pecuniary emolument or salary for the commissioners.

984. Do you mean that the Board authorized the chairman to apply for an interview, but did not state that as the object for which they solicited an interview?—Certainly not; they solicited an interview for this reason: Lord John Russell had just then, or not long previously, exchanged the Secretaryship of the Home Department for that of the Colonial Department, and they had never had an interview with Lord John Russell, to state to him the then situation of the colony, which, from

from the recent letters that had been received from Colonel Gawler, they thought was of such moment that it ought to be brought before his Lordship, with such explanations as they could give.

985. Captain *A'Court.*] That letter was not seen by the Board before it was sent?—I certainly did not see it, if it was seen by any members of the Board; I believe it was not signed by far the greater part of the Board; two commissioners, I believe, were necessary to constitute a Board, and I cannot answer for every commissioner.

986. *Chairman.*] You cannot state positively that the letter was not sanctioned by a Board consisting of the chairman and two commissioners, but that you were not present at the Board at which it was sanctioned?—Certainly I was not present; and it was against, I am persuaded, the feelings of the majority of the Board.

987. You did not concur in asking for an interview for such an object?—Not for such an object.

988. Did you contemplate receiving any remuneration as a commissioner?—Never; and whenever it was mentioned and discussed, I always expressed myself strongly against it, because it was an understood condition on which we accepted the office from Lord Glenelg that we were to receive no remuneration.

989. Lord *Stanley.*] At the time of writing that letter, Colonel Torrens was in the receipt of a salary?—He was; and I apprehend the confusion has arisen because, (when Colonel Torrens expressed his wish to have a salary), the Board individually concurred in the application, when it was made to Lord Glenelg and the Lords of the Treasury; but that was a year or two years before.

990. Lord *Mahon.*] You concurred in that application?—I believe I did; I wrote a letter upon the subject, which Colonel Torrens took with him, I believe, to Lord Glenelg's office.

991. You were understood, then, to say, that at some meetings of the Board, or in private conversation, you expressed an opinion unfavourable to the other commissioners receiving salaries?—At the public meetings of the Board, and in general. There was a division about a proposal for receiving what is called coach-hire; that is a sum of money which is generally divided in public Boards in the city of London by the persons that attend.

992. To what amount?—It would be 200*l.* a year for the whole commission; it would have been divided, according to the attendance, at the end of the year.

993. You state that there was a division upon that subject; how were the numbers?—I believe Mr. Mackinnon and Mr. Hutt, and one or two other gentlemen, divided with me and another gentleman, and the rest, I believe, were rather disposed to think that coach-hire ought to be paid.

994. But the decision was against it?—I think the decision was against it.

995. *Chairman.*] In accordance with the view which you took?—Yes.

996. Lord *Mahon.*] And you were understood to state that at a subsequent Board the question of salary to the commissioners was mooted, and you and other commissioners expressed a view unfavourable to it?—It might have been a subject of conversation; but it never went further than a matter of conversation, in which several of us expressed our objection to it.

997. Captain *A'Court.*] Did not you consider it irregular that Colonel Torrens should write this letter without calling the whole Board together upon a subject of such importance?—I personally never knew it. He was requested to write a letter for the purpose of asking for an interview, but certainly not embracing an application for salaries.

998. Lord *Mahon.*] What was the object of the interview?—The then state of the colony, because there were such very large drafts for money coming from Colonel Gawler, that some provision was necessary to be made for those bills.

999. In this letter dated the 9th of September the object of the interview is expressly limited to the subject of the commissioners receiving remuneration for their services?—That was not the letter that was ordered to be written by the Board. The letter that was ordered to be written by the Board was to ask for an interview, in which the state of the colony would have been brought before Lord John Russell, there being then advices of bills drawn to a much larger amount than the commissioners had contemplated.

1000. Lord *Fitzalan.*] Was Colonel Torrens authorized sometimes to write letters of this sort without the sanction of the commissioners?—Certainly not.

1001. *Chairman.*] Is there anything further that you wish to state to the Committee?—I have nothing further to say, except that I was very much surprised at

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receiving such a letter from Lord John Russell as we received in answer to this letter from Colonel Torrens.

1002. Lord *Mahon.*] Had you any knowledge of the application made in the letter of Colonel Torrens of the 9th of September, until you received the answer of Lord John Russell, dated the 23d, stating his intention of appointing new commissioners?—Certainly not.

1003. That was the first knowledge you had of the whole transaction?—That was the first knowledge we had of the whole transaction.

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1004. *Chairman.*] YOU were a member of the late Board of Colonization Commissioners?—I was.

1005. Were you a Commissioner from the original constitution of that Board till its dissolution?—I was.

1006. The second Act, called the Amended Act of South Australia, was introduced by you as one of the commissioners?—It was.

1007. Have you any observations to make to the Committee with reference to the Acts themselves, or to the working of the commission under those Acts?—I have no particular wish to make any explanation to the Committee upon the subject; but I am here to afford every information that the Committee may desire.

1008. You are aware of the present financial difficulties of the colony?—I am.

1009. Do you attribute those difficulties to any defect in the original Act, or to any omission in the provisions which were proposed by the promoters of the scheme?—I think the difficulties which have arisen are the result of a combination of causes. One of them, I am bound to say, has been an indiscretion on the part of the governor, in the extent of the drafts that he has made on the commissioners at home.

1010. Looking at what has happened, do you still adhere to the principle of the provisions of the original Act, by which the gross proceeds of all the land sales in the colony are applicable exclusively to emigration?—I do.

1011. You are not of opinion that even the expenses of the surveys should be thrown upon that fund which is termed the Emigration Fund?—I do not see any objection, in principle, to that, provided the sum of money which is to be allotted out of the proceeds of the land sales to the purposes of surveying be defined and limited in its amount.

1012. Do you mean that, setting apart what you would consider a reasonable and sufficient amount for executing the surveys, you think the expense of those surveys ought to be charged upon the Land Fund?—I see no objection to it.

1013. Was there any specific amount originally contemplated by the promoters of the measure, or by the commissioners, as to be set apart for that object?—There was no portion of the proceeds of the land sales to be set apart for the purposes of surveying. It was a fundamental principle of the Act under which South Australia was formed, that all the proceeds of the land sales should constitute an Emigration Fund.

1014. And contemplating the necessary expenses which the commissioners would have to provide for, did the original promoters of the measure, or the commissioners under the first Act, ever form an estimate of the sum which would be requisite for accomplishing those objects?—The commissioners endeavoured to form an estimate, and took advice from parties in this country who appeared best qualified to give information upon the subject; but they found that they had formed an erroneous estimate upon all the occasions when they attempted to do so.

1015. Do you mean that the estimate was below what the actual expense has proved to be?—The estimate was far below what the actual expense proved to be.

1016. Those expenses have been incurred under the authority of the late Board of Colonization Commissioners?—As far as the expenses were authorized at all, they were incurred under the authority of the earlier commission.

1017. Can you state what amount of expense has been authorized by the late Board of Colonization Commissioners on account of surveys?—I cannot undertake to do that. The Committee will recollect that it is 18 months since I had anything to do with the papers.

1018. Do you think that the expense which has actually been incurred and sanctioned by the late Colonization Commissioners exceeds the amount which you, in

in a former answer, stated you should think sufficient and reasonable for that object?—I think the expense has greatly exceeded what I consider reasonable.

1019. Even the expense that was sanctioned by the late commissioners, as distinguished from that which has been actually incurred in excess of that sanction?—I have some doubt how far the sanction of the commissioners went latterly.

1020. Assuming that you think there would be no objection to charging what would be a sufficient and reasonable sum for the expense of surveys on the Emigration Fund, do you think that any portion of what may be termed the outfit of the colony, such as the erection of buildings necessary for conducting the business of the colony, ought to have been charged upon the Emigration Fund?—No, I am not of that opinion; I think they should be provided by the colony itself.

1021. You mentioned the excessive expenditure incurred by the governor as one cause of the present financial difficulties; to what other causes do you attribute those difficulties?—I think another cause will be found in the change of the commissioners, though I did not anticipate it at the time; for when I received Lord John Russell's letter, communicating the fact that he had disbanded the commission, I wrote a private letter to him, telling him that I thought he had done well, and that I was perfectly satisfied with the alteration; but I now think the alteration has operated injuriously upon the interests of the colony.

1022. Are you aware of a letter of the present Board of commissioners to Lord John Russell, dated the 26th of August last, in which they state that by the last advices from the colony, the rate of expenditure had risen to nearly 140,000 *l.* a year?—I can have no official knowledge of that; I was no longer a member of the commission when that occurred.

1023. Are you aware of the fact that the rate of expense had risen to a very large amount?—Yes, I understand so from report.

1024. Had not the expenditure risen to that rate under instructions sent out, not by the present Board of commissioners, but by the late Board?—The governor might have fallen into the error of that large expenditure, from misunderstanding the directions that were given to him. I have not heard his explanation of the matter.

1025. But at the time the governor incurred the large expenditure, he was acting under instructions given by the former commission?—No doubt under the earlier commission.

1026. Then when you attribute the financial difficulties partly to the change of the commission, you do not mean that you attribute the excess of expenditure to the change of the commission?—Certainly not.

1027. In what way, then, did the change of the commission tend to produce those financial difficulties?—The change of commission appeared to interfere very materially with the sale of land in this country; had the sales of land gone on at the same rate at which they had been going on during the previous three years, I do not think the financial crisis which has for some time existed in South Australia would have arisen.

1028. What induces you to connect the diminution in the sales of land with the change of the commission?—The old commissioners appeared to possess, whether wisely or not it is not for me to say, a great degree of the public confidence; they had overcome great difficulties; they had done something new (in my opinion, something extraordinary), they had done it too, not only without the assistance of the Government, but, in some respects, in opposition to occasional expressions of opinion of men in office; they had succeeded in forming in the desert a very prosperous and promising colony. Those circumstances appear to have operated very favourably upon the public mind, and the land sales were going on from year to year progressively increasing in amount.

1029. Mr. *Gladstone.*] Were many of them also men of considerable commercial weight, and well known in the city?—Mr. Montefiore and Mr. Palmer were gentlemen connected with mercantile establishments in the city; I am ignorant how far that might have operated in favour of the sale of land.

1030. That would tend to give facility to any pecuniary operations they might think it necessary to undertake?—No doubt it did.

1031. *Chairman.*] In what month did the falling off in the land sales first show itself?—I believe the land sales fell off previously to the dissolution of the commission; but then it was during that period of the year when the land sales had been found on other occasions to be very slack; I know no reason for believing

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that when the spring came on the land sales would not have resumed their original frequency and extent, had the commission existed.

1032. Lord *Mahon.*] You stated, that when the first commission was dissolved you considered that a judicious measure; on what grounds did you form that opinion?—I thought it judicious at the time, and I stated so to Lord John Russell: my reasons were these; I did not consider the commission was very judiciously formed; I thought that it might be improved, but I thought it was a very desirable thing to place the management of all the Crown lands of the colonies under a commission more immediately connected with the Government, and possessing more of its confidence.

1033. Having held that opinion in December 1839, on what grounds have you subsequently changed your opinion?—My opinion has been changed principally by the results of the change which I witnessed; I find the colony, which I had left, as I thought, in a state of extraordinary prosperity, all at once a scene of confusion, and all its financial affairs arrived at what is called a crisis.

1034. Do you ascribe any part of this state of things to the acts of the new commission?—Not to the acts of the new commission; I referred it rather to the change which had taken place.

1035. *Chairman.*] In so far only as the land sales fell off, but not in so far as regards the expenditure?—In so far only as the land sales fell off.

1036. Lord *Mahon.*] Do you conceive there has been any other injurious effect than the falling off of the land sales?—I think the two principal reasons to which I should ascribe the difficulties which the colony is now under, are, first of all, the large demands made by the governor in the colony on the authorities at home; and, secondly, the circumstance of the land sales not going on at the rate I expected, which last I attribute to the change of the commission.

1037. *Chairman.*] When you state that you left the colony in a flourishing condition, do you mean to include the state of the finances of the colony?—Yes.

1038. Was not it in the contemplation of the original Board at the time of their dissolution to raise an additional loan?—I was in the country during the latter part of the time that the earlier commission was in existence, and at this moment I have no recollection of their raising a loan, except that the Revenue Fund had borrowed 8,000*l.* or 10,000*l.* from the Emigration Fund.

1039. In the Fourth Annual Report of the commissioners, presented to Parliament last July, bringing down the history of the colony to the 1st of January 1840, there is this passage. After stating the amount of the existing debt, the commissioners go on to say, "It would be superfluous, and perhaps improper, to enter in this place upon an explanation of the measures which, had our functions continued, we should have felt it our duty to adopt in order to place the finances of the province upon a stable foundation, by providing for the payment of the interest, and ultimately of the principal of the debt of 123,396*l.*, which has been incurred in planting the colony, and in providing for its government for a period of three years." Can you state what the measures were which were in the contemplation of the commissioners at that time?—I think it is apparent that that passage must refer to a loan.

1040. You have not a distinct recollection whether the commissioners were then agreed upon the necessity of immediately raising an additional loan?—I recollect that, about the month of August 1839, it had been contemplated, and had been the subject of conversation at the Board; but the subject was deferred, for two or three reasons: one of them was, I think, the deranged state of the money market, and the matter was not considered to be pressing.

1041. Mr. *Vernon Smith.*] When you state that the cessation of the land sales was one of the causes of the present distress of the colony, which was owing to the change of the commission, are you speaking of any act of the present commission that put an end to those land sales, or do you refer to a diminution of confidence on the part of purchasers, owing to the alteration of the commission?—There was no act of the commissioners that I can assign as a reason why the land sales did not proceed as formerly.

1042. Then, for what reasons do you ascribe that misfortune to the change of the commission?—I think the new commission had not so much the confidence of the public which the old commission had obtained; and then, I think, there was a mistake made in regard to the residence of the commissioners; they abandoned

abandoned a well-known office, and went and took a house in a street, which I, having some knowledge of London, scarcely ever heard of. It is very desirable that offices of that sort should be as much in a public thoroughfare as possible.

1043. Lord *Mahon.*] At what date did you affix your signature to the Fourth Report?—I signed the Fourth Report in the summer of last year; I am unable to mention the precise time; it might have been in the month of June.

1044. It was sent in on the 25th of July, and you signed it shortly before?—A few weeks before. The truth was this, that the Report was a long time in preparation. When I came to town and found the commission was dissolved, I recommended my colleagues, who were not all of them very well satisfied with the manner in which the commission had been dissolved, to draw up a Report, and to state to the Secretary of State all they considered they had done for the colony. Not all of them were disposed to do so; and the negotiations which took place in consequence of the recommendation which I offered, together with some accounts waited for from the colony, delayed for a time the progress of the Report.

1045. And there was not complete unanimity in signing it?—No, there was not complete unanimity; on the contrary, some of the commissioners declined to sign the Report at all, being dissatisfied with their dismissal.

1046. *Chairman.*] With regard to the loan which was in contemplation, to what extent, in your opinion, had the commissioners the power of increasing the existing debt of the colony by loans raised in this country?—They had the power, under the first Act of Parliament, of raising 50,000*l.* for the Emigration Fund, on the security of the revenues of the colony, and 200,000 *l.* on the security of the land in the colony for the purposes of local government.

1047. Of that, how much had actually been raised?—They had borrowed nothing of the first fund; they had borrowed 80,000*l.* of the second, or rather they had entered into a contract for raising 80,000 *l.* upon the security of the lands.

1048. Then at the time of the dissolution of the late commission, under the first Act the commissioners had the power of borrowing a loan, to what amount?—To the extent of 250,000*l.*

1049. Do you mean exclusive of the 80,000 *l.* which had actually been contracted for?—No, deducting the 80,000 *l.*, or that portion of it which the commissioners had received.

1050. Looking at the second Act, what power of borrowing had they under that Act?—I had charge of the Bill; and when I introduced it into the House of Commons I did not contemplate giving any additional power to the commissioners to augment the amount of the money to be raised on loan.

1051. Did you originally contemplate giving the commissioners power to borrow from one fund for the benefit of another?—I did.

1052. At the end of the third clause of the amended Act there is a proviso in these words: "Provided always, that the amount advanced from the Emigration Fund in aid of the revenues of the colony, together with the debt which may have been due to the Emigration Fund at the commencement of any year, shall not at the close of any such year exceed one-third of the amount which may have accrued to the Emigration Fund in the course of such year." In the original draft of the Bill, as submitted to the Government, that proviso does not appear. Can you account for the introduction of that proviso, and can you state to the Committee the construction which you put upon it at the time of the Bill being passed?—The history of the Bill, as nearly as I recollect it, was this: It was found necessary for various purposes that an amended Act should be obtained; and a draft of the Bill was made by the solicitor of the commissioners, Mr. Freshfield, which was submitted to the Board. Having been approved by the Board, it was submitted to the Secretary of State for the Colonies, with a request that he would express his opinion upon it. The approbation of the Secretary of State was obtained, but he declined introducing it on the authority of the Government, and recommended that some member of the Board of commissioners should do that; the commissioners requested me to undertake that duty, which I did. The Bill met with many difficulties in the House of Commons, and that part which relates to the transference of the sums of money from one fund to the other was a subject of particular observation; I think that the proviso to which the question has referred was introduced in consequence of the discussion which took place in the House of Commons; but the Bill was materially altered in the House of Commons, so much so, that I had some doubt whether it would not be desirable to withdraw

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draw it altogether. I reported to my colleagues the result of my exertions to get the Bill passed; it was their opinion that I should go on with it, and I endeavoured to set it right in the Upper House of Parliament. The Bill passed through the House of Commons, and when it was in the House of Lords some officer of the commission (I am not sure whether it was Colonel Torrens, or whether it was Mr. Hill, or the solicitor to the commission) saw Lord Shaftesbury about it, and considerable alterations were introduced.

1053. What limit, in your opinion, was placed by that proviso as to the power of the commissioners to borrow from one fund for the other?—I was always under the impression that the only power which the new Act of Parliament gave was this, that it enabled the commissioners to borrow from the Emigration Fund any amount of money, provided that at the end of the year they had not exceeded one-third of the whole amount to the credit of the Emigration Fund.

1054. In estimating the amount of the Emigration Fund, one-third of which they were not to exceed, did you take into account the balances carried over to that fund from the preceding year?—I did take that into account.

1055. You thought that at the end of the year the commissioners would have complied with the Act, if the Emigration Fund at the time comprised two-thirds of the whole amount of which it had consisted at any previous period during the year?—Precisely so.

1056. In a letter from Mr. Rowland Hill, the secretary of the commission, in submitting this Bill on the part of the commissioners to the Government, there is the following passage: "The fourth clause of the draft" (that is the clause now referred to) "would have been important, had the Bill for amending the South Australian Act been passed last session, as originally proposed; because then the commissioners had at their disposal a large and unemployed Emigration Fund, the lending of which to the Revenue Fund would have enabled them to defer raising money on revenue bonds, and consequently to effect a considerable saving of interest; but at present the South Australian Company, and other capitalists, are urging the commissioners to send out so large a supply of emigrant labourers, that the whole of the Emigration Fund at present at their disposal will be speedily exhausted; under these altered circumstances, the power of making temporary loans from one fund to the other becomes comparatively unimportant." What, in point of fact, has been the operation of that clause, to which so little importance was then attached by the commissioners; did the former Colonization Commissioners exercise in any extensive degree the power conferred by that clause of borrowing from the Emigration Fund on behalf of the Revenue?—I believe the Bill had no sooner passed than they borrowed from the Emigration Fund to the extent of between 8,000 *l.* and 9,000 *l.*

1057. Can you state the whole amount which had been borrowed from the Emigration Fund on behalf of the Revenue at the time of the dissolution of the late Board?—I speak on that subject with a little diffidence, because I was in the country at the time; and though I was in the habit of receiving the minutes of the Board, I do not recollect the events so well as if I had taken part in them; but I think, at the dissolution of the commission, money to the amount of 25,000 *l.* had been transferred from the one fund to the other.

1058. Then although the commissioners originally thought the power unimportant, they found when they had the power that it was necessary to borrow from the Emigration Fund for the purpose of the Revenue?—They found that it was desirable to do it, because they had contracted to raise a loan at the rate of 10 per cent., and a large portion of money to the credit of the Emigration Fund was lying in their treasurer's hands without interest, and it was therefore extremely desirable to make that money available, and so to save the high rate of interest to the colony.

1059. Did the demand on the commissioners for money to send out emigrant labourers afterwards diminish, so that your expectation of having the whole Emigration Fund exhausted by the necessity of sending out emigrants was not realised?—No, I do not apprehend that that was the case. The sales of land, the proceeds of which created the Emigration Fund, went on at a very great rate, and they obtained very large sums of money.

1060. Do you mean that the sales of land were made so rapidly, and that such large sums were received for them, that you were always considerably in advance of the demand upon the fund for sending out emigrants?—We were.

1061. Mr. *Vernon Smith.*] When Colonel Torrens's attention was called to the proviso just now referred to, he says, as his opinion of the intention of it, "We might

might have done what we pleased in the course of the year, provided we borrowed so as to bring the debt within one-third of the amount of the land sales during the year; we had an unlimited power, as we conceived, of going to the public for loans." Do you agree in that view of the power given you under the Act of borrowing money?—Having understood that Colonel Torrens had given that opinion, I consulted the Act of Parliament, and I found that it might bear that interpretation; but I remarked it with great astonishment, and indeed with great regret; for I felt that I was in some degree responsible for the Act of Parliament.

1062. You did not conceive that there was any such intention on the part of the framers of the Act?—Such was not my intention in introducing the Bill; At the same time, I should remark, that the Bill which I introduced into the House of Commons was not precisely the Bill which passed; it underwent many alterations; some in the House of Commons, and some of a more important description in the House of Lords.

1063. Have you seen the correspondence which passed between the Treasury and the Colonial Office and the Colonization Commissioners upon the subject of that Bill?—I must have seen it at the time.

1064. You do not remember whether there was anything relative to this power in the correspondence?—I have an impression that there is no notice of it.

1065. Lord *Stanley*.] You stated that you had been one of the commissioners from the commencement of the undertaking; was it your opinion from the beginning that it was essential that the Colonization Commissioners should exercise an entire control over the funds of the province, from whatever source raised?—I thought it to be expedient that the commissioners should exercise a perfect control over that portion of the revenues of the colony which accrued from the sales of land.

1066. Was it your opinion that the commissioners should exercise a control over the revenues of the colony generally, and over the whole financial arrangements of the colony?—I have some reluctance to answer with regard to the opinions which I might have had upon a point of that sort five or six years ago; but my belief is, that I never thought it necessary for the commissioners to exercise any control over the fund which is more properly called the revenue of the colony; I mean that portion which would be raised by taxes.

1067. Are you aware that, according to the interpretation given to the original Act, the whole of the funds raised in the colony are held to have been at the disposal of the Colonization Commissioners?—Yes.

1068. That authority having been placed by the Act in their hands, can you state whether the commissioners entered into any calculations of the probable amount of revenue, and of the probable amount of expenditure for carrying on the business of government, exclusively of the Emigration Fund?—The commissioners made such calculations, principally founded upon the revenues collected in the neighbouring Australasian colonies.

1069. Are the Committee to understand that, previously to sending out the first emigrants, any calculation was made of the probable revenue, and any limitation affixed to the expenditure, the gross proceeds of the land sales being, according to your view, strictly limited to the purpose of carrying out emigrants?—Such estimates were certainly made, but, of course, they must have been of a very general and rough nature, depending upon a variety of contingencies.

1070. Can you state whether, in point of revenue, your expectations, and the estimates you then formed, have been disappointed?—No, I do not think that the expectations which were formed of the amount of revenue have been disappointed.

1071. Do you consider that the expenditure now sanctioned by Colonel Gawler, so far as it relates to the departments purely of government, is an extravagant expenditure, and one which exceeds the estimates you then formed?—I am scarcely aware precisely what would be called the department of the government; whether the police force, for instance, would be included.

1072. Excluding the police force?—I feel great reluctance to express an opinion which would reflect upon a gentleman who is absent.

1073. The object is to know upon what sort of scale the commissioners, having the whole responsibility and the whole authority over the revenues of the province, calculated the expenditure in the first instance, so as to proportion it to the revenue, and to avoid the financial difficulties which have since arisen?—At the time Colonel Gawler went out, the commissioners calculated that the revenues appertaining

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taining to the government, would amount to about 20,000*l.* a year, and they considered that would be sufficient for carrying on the necessary operations of the government.

1074. Are the Committee to understand, that at the time Colonel Gawler went out the commissioners calculated that 20,000*l.* would be sufficient for carrying on all the expenses of government, including the civil and judicial offices, the police, the expenses of the survey, and the expenses connected with emigration, with the exception of immigrants?—The commissioners considered that 20,000*l.* a year would be adequate to all the necessary expenses of the government.

1075. Can you state what the commissioners considered the necessary expenses of the government; whether any of the heads now enumerated were not considered by the commissioners as part of the necessary expenses of government?—No doubt all those expenses devolve upon the government. The commissioners could have no difference of opinion upon that subject; there might be some difference of opinion with regard to the extent of the establishments which were formed by Colonel Gawler for the purpose of carrying on those duties.

1076. But the commissioners estimated that 20,000*l.* a year would be amply sufficient to discharge all those duties upon the scale which they recommended?—Yes.

1077. Did the commissioners enter into any detailed examination to verify the amount of 20,000*l.* as being sufficient for all those purposes?—Yes; there was an estimate formed and a calculation made of the means of meeting the expenses detailed in that estimate.

1078. Is that estimate before the Committee?—I cannot answer that question; I should think it unlikely that the papers which were prepared were the subjects of correspondence; but it is probable that they appear on the minutes.

1079. At what time did Colonel Gawler go out?—In 1838.

1080. Mr. *Vernon Smith.*] Did that 20,000*l.* a year include any provision for the interest of the debt?—No, I think not in the first year.

1081. How did the commissioners propose to meet that?—It must have been met in the first instance by a loan; the commissioners considered the receipts of the customs more especially, upon which they depended for the revenue of the colony, would increase beyond the exigencies of the government.

1082. Lord *Stanley.*] Were any instructions given to Colonel Gawler, when he went out, by which he might understand that the estimate formed by the commissioners of the whole expenses of his government should not exceed 20,000*l.* a year?—I believe that was the case.

1083. Including all the departments which were enumerated a short time ago?—Including all the departments enumerated in that question.

1084. You believe that such instructions were given to Colonel Gawler, accompanied by such an estimate?—Yes; many instructions given to Colonel Gawler were given in conversation; but all the material points to which his attention was called were submitted to him in writing.

1085. By the papers which have been laid before the Committee it appears that, setting aside all charges for the storekeeper's department, all charges for the surveys, all charges for police, all charges for immigrants, the annual expenditure of the government for the officer alone, including salaries only, and not including anything in the nature of contingencies, amounts to about 20,000*l.* a year, the total revenue which you estimated in 1838; can you state to what you limited the amount of the judicial and civil salaries in your estimate, as a portion of the 20,000*l.* a year?—I could not give that statement. I am not come prepared to answer such a question as that, which refers to matters that have for some time faded from my mind.

1086. Lord *Mahon.*] You have stated that you conceive the sales of the land to have decreased since, and in consequence of the appointment of the new commission; now, on referring to the periodical statements of sales appended to the Fourth Report, would it not appear that the decrease has taken place during the former commission, because on referring to the first two months and the last two months of the year 1839, it appears that in the month of January there were sold 6,800 acres; in the month of February there were sold 2,560 acres; but when we come to the last two months, it appears that in November there were 560 acres sold, and in December, nil. Now how is that reconcileable with your opinion that the Land Fund had decreased in consequence of the change of the commission?—We always considered that the months of November, December, and

and January were unfavourable to the sales of land; it is a period of the year when parties are not very willing to go out, and therefore they do not make purchases; we found that to be the case practically; we saw, without any kind of surprise, that there was a falling off in the sales in the months of December and January, and therefore we did not attribute it to any defect in the system under which we were acting; we looked upon it as the necessary result of the circumstances I have stated.

1087. If, as you state, the months of December and January were both unfavourable, is it not a remarkable fact that 6,000 acres were sold in January 1839, and not a single acre in December of the same year?—If I recollect rightly, that sale of 6,000 acres in the month of January was the result of a negotiation which had been going on with some parties in the north, and it accidentally came to a termination that month.

1088. Mr. *Raikes Currie.*] Are you aware that in the month of October 1839 you sold 18,336 acres, and therefore that your average sale for the last three months of the year is equal to the general average of the year?—It appears so.

1089. Might that excessive sale in October, of 18,336 acres, which is three times as large as any other month's sale, account for the lessened sales in the months immediately subsequent?—I think it is very probable that it did so.

1090. *Chairman.*] Will you turn to page 43 of your Third Report, Appendix No. 14, paragraph 4, of Instructions addressed to Colonel Gawler as Resident Commissioner of South Australia, in which there is this passage: "Schedules are delivered herewith of the establishment and appointments in South Australia, as fixed by the Colonization Commissioners, and approved by the Lords Commissioners of the Treasury;" are those schedules of the establishment and appointments included in the report from the commissioners?—They were not included, apparently, in the report of the commissioners; they will be found in the minutes.

1091. Could there be any difficulty in producing those schedules and laying them before the Committee?—None whatever; no doubt they are found in the minutes of the proceedings of the Board. I think it very desirable that the Committee should examine Mr. Hill upon these subjects; certainly the Committee should see the minutes.

1092. Lord *Howick.*] You said that you attributed the financial difficulties of the colony in a considerable degree to the falling off in the land sales. Was it practicable to found a colony in the manner adopted by borrowing money, without depending to a considerable extent upon the contingency of receipts from the sale of land?—No.

1093. Do you think that the falling off in the land sales was in any degree to be attributed to a diversion of the stream of emigration to New Zealand?—It is not my opinion that the diminution of the land sales resulted from the purchases that were going on in New Zealand; that did not prevent the sales of land at Port Phillip.

1094. You do not think that the fact of a new scheme of this sort being in progress, and attracting a considerable portion of public favour, was calculated to divert the stream of emigration from former colonies?—No doubt it must have influenced it in a degree; but I do not think it could have influenced it to the degree of stopping, or very materially diminishing, the amount of sales of land in South Australia.

1095. Mr. *Raikes Currie.*] Do you think that the old commission, from its mixed and partly commercial character, took more active measures for the sale of land, by advertising and otherwise, and offered greater facilities to purchasers than it was possible or perhaps proper for a commission of a strictly official character to do?—I am of that opinion.

1096. *Chairman.*] But looking at the extent of the present embarrassments, and at the amount of expenditure which appears to have been incurred by Colonel Gawler, do you think that even if the land sales had not fallen off, the financial embarrassments of the colony could by this time have been avoided?—I am scarcely aware of the precise state of the finances of the colony; but had the land sales gone on progressively increasing as they had done in the three previous years, I think the financial derangement which now exists could not have arrived at its present height.

1097. Although it might not have arrived at its present height, do not you think that information reaching this country, within six months of the period when the late Board was dissolved, that the expenditure had risen to the rate of about

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about 140,000 *l.* a year, must have produced financial embarrassment?—No doubt it would have produced financial inconvenience.

1098. Even if the land sales had continued at the rate at which they had been carried on in the preceding year?—Yes; if the expenses had gone on at the rate at which they appear to have gone on, it must have produced some financial embarrassment.

1099. Lord *Stanley.*] Did you not state in the early part of your examination that you saw, in principle, no objection to such an alteration of the original Act as should make the sum applicable to the purposes of emigration the net proceeds instead of the gross proceeds of the land sales?—I did.

1100. What would you consider to be the expenses which would make the difference between the net and the gross proceeds?—The question which was proposed to me regarded the expenses arising from the survey establishment, which were considered one portion of the necessary expenses of the sale of land; I considered that deducting the necessary expenses of the survey, that would give the net proceeds of the land sales.

1101. Assuming the adoption of the principle, have you considered in what manner it might be most advisable to apply it, whether by deducting the gross amount of the expense of the survey from the gross amount applicable to emigration, or by providing for the expense of the survey by a separate charge upon every purchase, by way of fee or otherwise?—I have sometimes considered that question. It appears to me that there would be no objection to act upon this system, namely, having estimated the expense per acre of the survey, to take what Mr. Wakefield has called a sufficient price for supplying the land with labourers as the price of the land, and to add to that the 3*d.* or 4*d.* an acre which might be necessary for the expenses of the survey, the sum to constitute the price of the land.

1102. Then are the Committee to understand that your opinion leans to charging a separate fee upon each separate grant, and not to deduct the expenses from the gross sum as applicable to emigration?—I am disposed to think that that would be the better course, if the expense were defined.

1103. Lord *Eliot.*] Might not the uncertainty of the amount of such charge operate as a discouragement to purchasers?—I think it would discourage very considerably, unless the exact amount were stated and defined.

1104. Must not the amount of such charge very much depend upon the nature of the survey to be made, whether the lot selected for the purpose of being surveyed were situated at a distance from the land already surveyed or near to it?—It would depend upon the distance; it would depend also upon the nature of the country to be surveyed. I imagine that the expense of the surveying establishment in Australia would be rather less than in New Zealand, or in the Canadas; I mean such a survey as has been undertaken in South Australia, which has been of a scientific description. The land purchasers were not satisfied with the description of survey which is in operation in America, a running survey; they required that the survey should be verified by triangulation.

1105. *Chairman.*] Was there an agreement between the commissioners and the purchasers that they should be entitled to such a survey?—There was no such agreement between the commissioners and the purchasers; but when the commissioners found that the survey had not proceeded at the rate they expected, and at the rate which the purchasers might reasonably have expected, having taken the advice of Captain Dawson, they recommended that thereafter the lands should be surveyed and allotted under the system called a running survey; but when a direction to that effect went out to the colony, there was so strong a feeling against it that the commissioners were forced to abandon it.

1106. When you speak of the comparative expense of surveys in South Australia, in New Zealand, and in Canada, do you take into account only the natural difficulties of the country, or do you take into account also the price of labour?—The expense of survey must in some measure be governed by the price of labour.

1107. Are you aware that a great portion of the expense in South Australia appears to be the wages paid to labourers employed in making the survey?—I was not aware of that.

1108. Do you know what the rate of wages for ordinary labourers in South Australia has been hitherto?—It has been high. I am not aware that i is very much higher than in the neighbouring colonies.

1109. Lord

1109. Lord *Eliot.*] Has it not been the practice in South Australia to survey land, wherever situated, at the request of the purchaser?—If the purchaser took a certain amount of land.

1110. Has not that practice occasioned considerable expense and inconvenience, by withdrawing the surveying force from its regular labours?—It no doubt must have increased the expenses of the survey.

1111. Lord *Mahon.*] What amount of purchase gave the purchaser a right to a special survey?—Four thousand acres.

1112. Sir *William Molesworth.*] Were any objections raised to the system of special surveys when first proposed?—I am not aware that any objections were offered to the system of special surveys when it was first proposed. I have heard many objections since; I think it was one of the unfortunate plans which the present governor adopted, that of promoting instead of rather discouraging the system of special surveys.

1113. Lord *Eliot.*] The commissioners did not, in the first instance, make any objection to them?—The commissioners, in the first instance, were not aware of the great expense at which they were undertaken.

1114. *Chairman.*] Did the commissioners contemplate any considerable expense in respect of what may be termed the outfit of the colony?—They did not any very considerable expense.

1115. Did not it enter into their consideration that houses and offices and a gaol would be necessary to carry on the business of the colony with a rapidly increasing population?—No doubt they contemplated a certain expense, but they did not contemplate anything like the expense which has been undertaken.

1116. Can you give the Committee any idea of the sum which they did contemplate as necessary, during the first few years of the colony, for those purposes?—I could not undertake to do that.

1117. Lord *Howick.*] Was any inquiry made upon that subject before the first emigrants went out, as to the probable expense of the first formation of the colony?—It was a subject of consideration, and I think some evidences of that consideration and inquiry will appear upon the minutes of the proceedings of the commissioners, which should be before the Committee.

1118. Was any detailed estimate made of the probable cost of the various works which would be requisite in the first formation of the colony?—I think, generally speaking, there was; the commissioners could not have gone into the question of the detailed expense of constructing a gaol, or of other works of that nature, but they calculated on a certain expense for them.

1119. But they contemplated some considerable expense being incurred in this manner in the first instance?—They did so.

1120. And they contemplated providing for that expense out of a loan to be raised upon the security of the future revenue?—Yes.

1121. Entirely by that loan?—In the outset entirely by that loan.

1122. And the interest of that loan, as well as the expense of salaries, they proposed to defray by customs duties, which were to be imposed?—Principally by customs duties. The revenues of the colony depend almost exclusively upon customs duties, but there are other contingent resources.

1123. Principally by customs duties, and partly by other internal taxation?—And partly by other internal taxation.

1124. But the commissioners distinctly contemplated the necessity of trusting, for some time, to money which was borrowed, and not to the produce of the revenue?—They did so.

1125. Sir *W. Molesworth.*] Are you acquainted with the system of special surveys, and if you are, do you entertain any objection to that system?—The system underwent a modification under Colonel Gawler's government; it was originally proposed that any party purchasing land to the extent of 4,000 acres might have the liberty of selecting it in any part of the colony where he desired to select it, and that the expense of survey should be borne by the commissioners; and Colonel Gawler, for reasons which are certainly very plausible, thought it desirable to promote a system of special survey, by inducing a number of persons who had purchased single sections of land to club together and to demand a survey; that of course largely increased the expense; I myself am now disposed to doubt the policy of the first plan which the commissioners undertook, but I think the other is still more objectionable.

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1126. In a minute of Captain Grey's, addressed to Lord John Russell, in page 136 of the printed Papers before the Committee, he states, "By a 'special survey' is meant, that when any man or body of men purchase at once 4,000 acres, great and extraordinary advantages are connected with the purchase. The parties select a tract of 15,000 acres in any locality which they prefer; all those acres are surveyed by the government; from the lands so surveyed the purchasers select the 4,000 acres where they think best, culling the choicest lands and the best situations; and at any time within the first fortnight after the survey has been completed by the Government, they are at liberty to select, in the same manner, any further quantity of land in addition to the 4,000 acres, paying 1 *l.* for every acre so selected. This is often done in such a manner as to render the 11,000 acres, for which they do not pay, inaccessible to the future purchasers of them, and comparatively worthless to the Government; virtually, therefore, the purchaser obtains the occupation of 11,000 acres more than he has paid for. This is an extreme, but a very possible supposition." Do any observations occur to you as to the correctness or the incorrectness of that statement?—I do not enter into the objection which is there stated; I am not aware how, in conformity with the regulations, the land could be so selected as to render the 11,000 acres comparatively worthless; on the contrary, I should think, under many circumstances, it would improve the value of the 11,000 acres of land which were rejected, by placing a population by their side.

1127. Will not that effect be produced by taking out the best 4,000 acres and leaving the remainder?—The circumstance of any of the land being selected would not take away value from the rest.

1128. Lord *Stanley.*] Would not the occupation, for example, of the river frontage, particularly in South Australia, very materially diminish the value of the land which was left at the back?—No doubt the occupation of all the river frontage would in itself diminish the value of the land which was left at the back, if all access to the river were cut off.

1129. Are you aware whether any, and what, limit is affixed to the portion of river frontage which is permitted to be taken?—A limit was assigned to the parties; but I do not recollect exactly what it is.

1130. Mr. *Wood.*] Must the 4,000 acres be taken in one block, or may it be taken in several, in detached parts of the 15,000 acres, at the option of the purchaser?—It must be taken in one block.

1131. Sir *W. Molesworth.*] Will you have the goodness to turn your attention to the next paragraph in Captain Grey's letter, with reference to the expense of special surveys: "The Government at present pay for this special survey not less than 2,500 *l.*, to which is to be added other charges for contingent expenses. Thus the Government, in reality, give a purchaser 4,000 selected acres from a chosen tract of 15,000 acres, with the occupation of the remaining 11,000, or of a large part of them, in consideration of 4,000 *l.*, nearly the whole of which is laid out in effecting the survey"?—I think that a very substantial objection.

1132. And you consider the objection to be a correct one?—I know that the expense of a special survey was in many instances very large; I should not be surprised if in some instances it amounted to 2,500 *l.*, a very objectionable expense.

1133. The next paragraph is with regard to the actual expense which has been incurred in those special surveys; will you have the goodness to look over that, and state whether you consider that to be correct?—I concur in that objection.

1134. *Chairman.*] Will you turn to page 141 of these Papers, containing the observations of the present commissioners upon that Minute, from which the extracts to which your attention has just been called are taken; do not you find that the commissioners state, that the abuse which Captain Grey brought under the notice of the Secretary of State would be impracticable, were the regulations adhered to?—They do; I stated that I did not concur in that part of Captain Grey's objection.

1135. Sir *W. Molesworth.*] In your opinion, does the practice of special surveys tend to encourage speculation in land, and to divert the colonists from occupying themselves in production?—I think it appears to have that effect in some degree.

1136. And to encourage land jobbing?—I think it appears to have had the effect of encouraging land jobbing to a certain extent.

1137. Are you aware whether any of the commissioners, or any of the officers under the commissioners, have any pecuniary interest in the system of special surveys

surveys at the public expense; for instance, by having become purchasers, directly or indirectly, of land in the colony?—I have no knowledge upon that subject; I can only state for myself, that I have never had any pecuniary interest whatever in South Australia; the subject had occurred to me; I saw that there was an opportunity of making an advantageous speculation; but I considered that in my situation of commissioner, it was very inexpedient that I should enter into it.

1138. Lord *Stanley*.] Have you received lately any information from the colony from sources upon which you can depend, as to the present state and condition of the colony, and if so, up to what date?—I have seen some such letters; they were not addressed to myself; they were shown me by other parties; the dates were recent.

1139. Have you, from private sources of information, or in any other manner, the means of affording the Committee any information as to the extent and progress of the cultivation of the soil in South Australia within the last 12 months?—I have seen letters from individuals resident in the colony, on which I should rely for my own guidance, with reference to the extent of cultivation.

1140. Did those letters lead you to imagine that there had been any great increase in the amount of land brought into tillage within the last 12 months?—It appears to be going on very satisfactorily.

1141. Have you any means of knowing what amount is estimated as being under tillage at the present moment?—I could produce a statement to that effect, but I do not recollect the particulars. I have seen it stated that they expect that the produce of wheat grown on the soil will amount to 60,000 bushels in the course of the present year.

1142. Have you heard whether the prospect of an increased production of corn has tended in any way to affect the prices of provisions within the colony?—I understood that the prospect of the last harvest was such as to diminish the price of flour in the colony; that whereas formerly the colony had depended entirely upon external supplies, the wants of the settlers in the colony would now be partly supplied from their own resources.

1143. Have you seen any statement which leads you to form any estimate of the proportion of the whole supply of provisions which would be grown within the colony itself?—I have heard the prospects of supply stated generally at about half the quantity which would be required for a year's maintenance of the settlers.

1144. About six months' supply?—Yes.

1145. When would that come into use?—The seasons are reversed; the harvest is precisely the reverse of what it is in this country.

1146. Mr. *Vernon Smith*.] Should you be prepared to give any evidence to the Committee as to the probability of raising a larger revenue in future from the colony?—No, I could not; it depends entirely upon the course which the Legislature may pursue in reference to the colony. If the present bills which are now lying in London are not liquidated, and the expenses of the colony paid, I have no doubt that the colony will suffer very severely indeed; and the revenue, instead of increasing, will diminish.

1147. Supposing the colony to be relieved from its present difficulties, could you then form any calculation as to what amount of revenue it is likely to produce?—Yes; I think such a calculation might be formed upon satisfactory data.

1148. In speaking of the 20,000 *l.* a year which you calculated upon, you alluded to an increase of the customs duties; have you any calculation of the probable extent of that increase?—I have none that I can produce before the Committee; I think it may be taken in proportion to the population of the colony.

1149. *Chairman*.] Assuming that relief was given to the immediate financial embarrassments of the colony, are there any alterations in the Acts of Parliament under which the colony is constituted that you would suggest to the Committee, with a view to prevent the recurrence of those embarrassments?—It would require more consideration than I have given to it to answer such a question as that satisfactorily.

1150. At the conclusion of the Fourth Report of the late commissioners there is this passage: "Notwithstanding the omissions and practical imperfections inseparable from a first attempt, in which the file affords no precedent, and in spite of the gratuitous difficulties created by the Act of Parliament, the result of our labours has been the establishment, without cost to the mother country, of a colony possessing the essential elements of stability and prosperity." Can you state to the

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the Committee what are the difficulties alluded to in that passage as created by the Act of Parliament?—One of the difficulties was a difficulty of a very arduous character, in the circumstances in which we were placed. It was this: that the commissioners were required to impound 20,000*l.* of the money which they obtained by loan.

1151. Do you allude to what was termed "the Guarantee Fund," under the first Act?—Yes; that was a difficulty so great, that it appeared for a long time insuperable; indeed, I myself have sometimes doubted whether or no it was not intended for an insuperable difficulty.

1152. Do you mean that it was difficult to obtain the money for the purpose of its being locked up as a Guarantee Fund?—It was very difficult to procure purchasers of land, parties being aware that a considerable proportion of the money accruing from the loan would be locked up as a Guarantee Fund.

1153. Then do you mean to suggest, as a desirable alteration in the Act, that a guarantee fund should no longer be required?—That presented a very great difficulty, and it was an idle arrangement.

1154. Are you aware that it was found necessary actually to expend by the Government 5,000*l.* of the Guarantee Fund in order to avoid a sum of that amount falling upon the finances of this country?—I am aware that 5,000*l.* was abstracted from the Guarantee Fund, but that was much subsequent to the difficulties I am contemplating, which occurred in the outset of the career of the commissioners.

1155. Is it not the fact that the case contemplated in the original formation of that Guarantee Fund, namely, that of indemnifying this country against expense on account of the colony of South Australia, actually arose?—That was a matter which the commissioners were disposed to controvert; the truth was, that there was an expense undertaken which the commissioners thought should rather have fallen upon the general Government than upon the funds of that colony; there was a good deal of correspondence between the commissioners and the different departments of the Government in reference to that money; at last it ended by a compromise, which is shown in the abstraction of that 5,000*l.* from the Guarantee Fund.

1156. You do not mean that the commissioners were of opinion that the expense was not incurred on account of the colony of South Australia, but that it was an expense which, notwithstanding the Act of Parliament under which the colony was constituted, ought to have been placed upon the estimates of this country?—It was not an expense certainly incurred by South Australia. It consisted in sending out a store-ship to those seas; the store-ship took out Captain Hindmarsh, and then proceeded to New Zealand for spars; the Admiralty would have sent out that store-ship, whether it had taken out Captain Hindmarsh or not.

1157. Was not the ship expressly applied for by the commissioners, not for carrying out Captain Hindmarsh, but for carrying out the stores requisite for the formation of the colony, together with the governor and other persons, for whom the commissioners were bound to provide a passage; and did not the Admiralty, at the recommendation of the Secretary of State, provide the Buffalo for that purpose, upon the express understanding that the expense incurred for that was to be paid by the commissioners?—Those facts might have occurred; my recollection is otherwise.

1158. Mr. *Vernon Smith.*] From your experience of what has occurred since the passing of the South Australian Acts, in the introduction of which you engaged, will you state whether you still think that the formation of a colony upon the principle of those Acts is a better mode of founding it than according to the usual methods?—Yes, I am of that opinion. There were many parts of those Acts of Parliament which, if I had had the framing of them, I should have altered; but I still think that it was a sound principle to proceed upon, to raise money on the security of the land, undertaking to expend the whole of that money in emigration, and thereby giving a value to the security by means of the very money which you raised.

1159. What are the parts of the Acts to which you allude which you would have altered if you had had the power, and which you would now wish to see altered?—One of them was this difficulty which was thrown upon the commissioners with regard to the Guarantee Fund; but there are others more important.

1160. *Chairman.*] Are the Committee to understand, from what you stated just now, that the 20,000*l.* constituting the Guarantee Fund was to be raised from the

the sale of land?—It was not raised from the sale of land; it was a loan borrowed on the security of the land.

1161. Mr. *Raikes Currie.*] Borrowed at the rate of 10 per cent.?—Borrowed at the rate of 10 per cent.

1162. Forming, therefore, a permanent burden upon the colony to that amount at the outset?—Yes.

1163. Lord *Stanley.*] Would you propose, in any amendment of the Act, to continue the system by which a divided responsibility exists, partly imposed upon the Colonial Office, and partly imposed upon the Colonization Commissioners, in carrying on the affairs of the colony?—No; I think that inexpedient.

1164. In what way would you propose to get rid of that divided responsibility?—It would be very undesirable that the commissioners should have anything to do with the government of the colony.

1165. You would propose, then, strictly to limit the power of the commissioners to the disposal of the lands in the colony, and to the application of the proceeds for conducting emigration?—I think I would confine the duties of the commissioners entirely to those limits; perhaps they should (but I am not certain upon that point) be charged with the duties of seeing the surveys performed.

1166. Supposing the surveys to be charged upon the land sales, you would conceive that the responsibility of carrying on the surveys would be part of the transactions of the sale of land?—I should.

1167. And ought, therefore, to be placed under the same authority?—I speak with some hesitation upon that point, inasmuch as the duties are a good deal of a mixed character; but I am disposed to think that they should rather devolve upon the commissioners than upon the Government.

1168. Mr. *Vernon Smith.*] You would propose to pay for the surveys out of the Emigration Fund?—I see no objection to that, if the expense of the surveys were fixed.

1169. Lord *Stanley.*] You would then propose to leave, as in all other colonies, the whole financial and administrative affairs of the colony, as apart from the sale of land, in the hands of the executive?—I would, certainly.

1170. Until some representative government should be formed in the colony itself?—Yes.

1171. Mr. *Wood.*] Do you consider a special Board of commissioners necessary or desirable for regulating the sale of land and emigration with respect to this colony, or that it might not be better performed by a Government Board attending to those duties with respect to the colonies generally in which there is land to sell?—Both systems appear to me to have peculiar advantages; but after the experience we have had of the commission which has recently been formed, I think I should prefer giving a special commission to each colony.

1172. *Chairman.*] Do you mean that you would prefer having commissioners in this country for each colony, and not to confide the sale of land in the different colonies to the same Board?—Yes, I think so; that is the view that I take. I am not sure whether it would be necessary to have a special Board of commissioners for every small colony dependent upon the Crown, but I should prefer special commissioners.

1173. Mr. *Vernon Smith.*] Do you mean that the commissioners should be independent of the Secretary of State for the Colonies?—Certainly not independent of the Secretary of State.

1174. Mr. *Wood.*] But independent in their action when once established by the authority of the Crown?—Independent, under the restrictions which would be laid down by an Act of Parliament.

1175. You would have a separate Board of commissioners in this country for each colony in which there were public lands to sell, and to which it was considered desirable to encourage emigration from the mother country, rather than one joint Board for the whole?—Yes, I am disposed to think so.

1176. Would not the existence of such Boards add to the expense, and would it not create some clashing and rivalry between the different Boards?—It would no doubt increase to a certain degree the expense; I do not apprehend that there would be any inconvenience arising from the rivalry that would take place.

1177. Might they not become rivals in endeavouring to induce emigration, each of them to their respective colonies?—They most likely would become rivals in that respect, but I can see no evil arising out of it.

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1178. In order to turn emigration, each of them to their own particular colony, might they not be tempted to offer extravagant encouragement, rather exceeding what the circumstances would justify?—That would always depend upon the discretion of the parties in the commission.

1179. They would of course, if so constituted, be each of them independent Boards, acting without any supervising control?—It is not proposed that they should be entirely independent of a supervising control; they should be dependent in some measure upon the Colonial-office.

1180. Would you give to the Executive Government of the country a power to remove any of those commissioners at the pleasure of the Crown?—Yes.

1181. Without a cause shown?—Yes, I think so.

1182. Captain *A'Court.*] Do you know any other colony which has a special commission for the purpose of land sale and emigration?—No other colony has a special commission for the purposes of land sale and emigration.

1183-4. Mr. *Wood.*] Do not you think that the regulating the sale of Crown lands in the colonies is a matter of so much importance to those colonies themselves, and that the regulating the stream of emigration from this country to those colonies is a matter of so much moment to the mother country and to the emigrants, that those duties ought to be performed by the Executive Government upon its responsibility rather than by independent Boards of commissioners?—I think that it would be better done by Boards of commissioners.

1185. Lord *Eliot.*] At what rate of interest do you believe that the commission of which you were a member could have raised a loan for the service of the colony?—The loan originally contracted by the commissioners was at the rate of 10 per cent. The commissioners subsequently, after the amended Act gave them further facilities, contemplated raising a loan at a much smaller rate of interest than that, at six per cent.

1186. They would have had no difficulty in obtaining money at that rate of interest?—I understood they would have had no difficulty in obtaining money at that rate of interest.

1187. *Chairman.*] What is the actual rate of interest at which they did borrow money under the amended Act?—The only money which they borrowed was borrowed under the provisions of the first Act of Parliament; that was at the rate of 10 per cent. They afterwards converted a portion of that loan into annuities, at the rate, I think, of 6 ½ per cent.

1188. Lord *Eliot.*] In your opinion, might not the granting of a charter of incorporation to a company with a paid-up capital have obviated all the financial difficulties to which the colony of South Australia has been subjected?—I think that it would.

Mr. *Edmund Trimmer*, called in; and Examined.

Mr. *E. Trimmer.*

1189. *Chairman.*] HAVE you been in the colony of South Australia?—I was there in the year 1838.

1190. Did you go out to it in the year 1838?—I went from Sydney in New South Wales, where I had been spending about eight or nine months.

1191. How long did you remain in the colony?—Only two months.

1192. Did you return direct from the colony to England?—I did not; I went back to Sydney, and from thence to the west coast of South America.

1193. You have not been in the colony since the year 1838?—I have not.

1194. Are you a proprietor of any land in the colony?—Yes; I have a few sections, a few hundred acres.

1195. Agricultural sections?—They will be agricultural sections when used; I have done nothing with them yet.

1196. Did you buy them when you were in the colony or in this country?—I bought some when I was there and some previously to my going.

1197. You have not had much personal experience of the results of farming and of cultivation in the colony?—Certainly not; only, from what I could see of the country, the appearances were very promising.

1198. Were you in various parts of the colony?—At that time much of the colony had not been seen, and I believe I saw as much as any one who had been there up to that time; I travelled in various directions 40 or 50 miles into the country.

1199. Had you been long resident in New South Wales?—Only eight months; I was travelling for the benefit of my health at the time.

1200. Have

1200. Have you had much experience in agriculture?—None whatever.

1201. Have you the means of forming anything like an accurate idea of the value of the soil, and its adaptation to the purposes of agriculture?—Merely by comparing it with what I saw in New South Wales; I formed a very high opinion of the capabilities of South Australia; and I looked at it with the eye of a person who might be engaged in agricultural pursuits, intending to turn my attention to them.

1202. Were you induced by your own personal observation to make purchases of land in the colony?—Undoubtedly.

1203. Have you any objection to state the price you gave for the land?—I gave the original price, 1 *l.* an acre.

1204. You bought directly from the commissioners?—I bought directly from the commissioners.

1205. Lord *Stanley.*] At what period of the year were you in South Australia?—In August and September.

1206. Lord *Eliot.*] What is the period of harvest in South Australia?—About November or December.

1207. Did what you saw in the colony induce you to come to the determination of becoming a settler there?—Undoubtedly.

1208. Are you about to return now to that country for that purpose?—Immediately.

1209. Lord *Mahon.*] It has appeared from some accounts of the colony, that at one time timber and deals were imported from New Zealand; did that arise from any deficiency of wood in South Australia, or from any special circumstances?—From a deficiency of soft wood; there is no soft wood in Australia; all the timber is hard.

1210. Wood is imported from New Zealand?—Yes.

1211. Would it be necessary still to continue that importation?—It will always be necessary to import soft wood.

1212. To a large extent?—I should think so.

1213. *Chairman.*] What is the town of Adelaide built of?—Of brick and wood and stone; a great number of pizée houses were built at the time I was there; but they were temporary residences.

1214. Do you know whether any stone is found in the colony?—In the range of hills close by Adelaide there is very good stone and slate.

1215. Lord *Eliot.*] Any coal?—They had not discovered coal when I was there.

1216. Mr. *Wood.*] Have they good brick earth?—They have very good brick earth close at hand, immediately adjoining the town.

1217. And lime?—Abundance of lime.

1218. Lord *Mahon.*] Is there wood for other purposes; for firing, for example?—Great abundance of wood.

1219. Mr. *Hope.*] Although none of your own ground was then under cultivation, were they beginning to get much ground under cultivation in the year 1838?—They were beginning. I saw one entire section under cultivation, which appeared very promising.

1220. *Chairman.*] Under the plough?—It was sown, and the wheat and potatoes were up.

1221. Did you make any inquiries into the amount of corn grown in the colony, with reference to the means of subsistence?—At that time they had only been established 18 months; and this was the first section under cultivation.

1222. At that time all the supplies were imported?—Yes.

1223. Lord *Mahon.*] Has the River Murray an uniform current, or is it liable to inundations?—I believe that has not been ascertained up to the present time.

1224. *Chairman.*] Have you had letters from the colony since you left it?—I have had very few letters direct, but I have seen a great number of letters from friends.

1225. When you left it in 1838, did you leave it with the intention of returning, or have you formed that intention since from information subsequently acquired?—At the time I left the colony I was not at all aware that I should go out again, but I formed such a favourable impression of the colony, that I was induced to go out again.

1226. Lord *Eliot.*] And of the climate?—And of the climate, and of its general capabilities; I have seen nothing equal to it anywhere.

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1227. *Chairman.*] Was that determination produced by your own observation in 1838, or by subsequent information?—By my own observation.

1228. Mr. *Wood.*] Has your original impression been strengthened by what you have since heard from others who are resident there?—Unquestionably, very much.

1229. Lord *Stanley.*] You stated that you had bought a few hundred acres; were they bought for cash?—For cash.

1230. The whole amount was paid up?—Yes.

1231. You have as yet derived no revenue whatever from that expenditure?—None; but that is my own fault; I might have let it if I had chosen.

1232. Mr. *Vernon Smith.*] What was the general class of settlers in South Australia; were they, as a class, different from those in New South Wales?—I liked the appearance of things better; I think the social condition was better.

1233. Did the settlers appear to you to be a superior class of persons?—I think they were, certainly.

1234. At what rate, compared with the population, was the taxation?—I cannot speak as to that. The taxation was so slight that there was scarcely any taxation. I think it was about five per cent. *ad valorem.*

1235. Can you state how it was as compared with New South Wales?—It was much higher in New South Wales.

1236. *Chairman.*] Do you expect to find that difference existing when you go back?—No, I should think it will be considerably increased. It will bear an increase.

1237. Mr. *Vernon Smith.*] With respect to the comparative expenses of living, can you state anything on that head?—I think they are about the same. I do not think there is any difference between New South Wales and Australia in that respect.

1238. Who was governor when you were there?—Mr. Stevens was the acting governor. The governor had left when I was there.

1239. *Chairman.*] It was during the interval between Captain Hindmarsh's government and Colonel Gawler's?—Yes.

1240. Mr. *Wood.*] Did you buy your sections before you quitted this country?—A few before, and some when I was there.

1241. What distance are they from Adelaide?—Some are between five and six miles, and others are adjoining the park land close to Adelaide.

1242. Have you any town allotments?—I have three or four.

1243. Were you limited in the quantity of land in the town which you were permitted to buy; were you required to take a due proportion of the three descriptions?—Not at all. The original sections were 135 acres, one town acre and 134 rural acres. That is how I became possessed of the town acres.

1244. You say that you have some acres close to the town; were you limited in quantity with regard to those?—They formed part of the sections. I was not limited as to the quantity I would buy.

1245. Might you have taken the whole 135 acres close to the town?—That depended upon the order of choice.

1246. Lord *Howick.*] Those that had priority of choice could obtain sections very near the town at the same price that was paid by others who had not the same priority at a considerably greater distance from the town?—Undoubtedly.

1247. Mr. *Raikes Currie.*] How was that priority of choice settled?—By drawing lots previously to the colonists leaving this country.

1248. *Chairman.*] Do you still retain those town acres unoccupied without deriving any profit from them?—I do.

1249. Mr. *Raikes Currie.*] To what extent of land was this principle of drawing lots applied?—There were a thousand sections originally, I believe, of 135 acres, each one of which was to be a town acre.

1250. Sir *William Molesworth.*] You said you might have let your land if you had chosen; can you state at what price?—I think I could have got for the land in the immediate neighbourhood of Adelaide 10*s.* an acre.

1251. And for the town acres?—I was offered for one acre in the town at that time 500*l.*, and the land at a distance from the town would let for from 5*s.* to 8*s.* an acre.

1252. Was that land the average quality of land?—Yes.

1253. Lord *Eliot.*] Can you form any idea of the price at which you could dispose of it now?—I suppose it has about doubled in value since I was there.

1254. Mr. *Wood.*] The country lots as well as those near the town?—Yes.

1255. *Chairman.*] Do you mean that that acre for which you could have got 500*l.* when you were there, is now worth 1,000*l.*?—I do. I would not sell it for that.

1256. Lord *Howick.*] Was it immediately after you purchased it that you could have obtained 500*l.* for that acre?—Eighteen months after.

1257. Do you happen to know whether those persons who had the power of obtaining land by early selection could sell it for any advance immediately afterwards?—Undoubtedly an early choice would give an additional value to the land.

1258. With respect to the country lots as well as the town lots?—Yes.

1259. From the moment of drawing this lottery, those persons that had the good fortune to draw lots giving them an early choice, could have sold those lots at a considerable advance?—Undoubtedly.

1260. Sir *William Molesworth.*] What were your lots; early lots or otherwise?—Some of them were early.

1261. Mr. *Hope.*] Are you aware of the different works which have been executed lately by Governor Gawler?—No, I am not, except from report.

1262. Can you, from your personal observation in the colony, judge whether such works were needed; do you consider that public offices, and so forth, were required?—I consider that they must be of advantage to the colony.

1263. Mr. *Wood.*] In drawing for the choice of lands, were you a fortunate party in the lottery or otherwise?—Some of my lots were early choices and others not.

1264. Does that circumstance of some of your lots being early drawings and others late, account for your having some of your lands near the town and others distant?—Yes.

1265. Mr. *Raikes Currie.*] But each of those lots contains one town acre?—Yes.

1266. Sir *William Molesworth.*] Do you know whether many persons have come from the neighbouring colonies to buy land in South Australia?—There have been a good many.

1267. From New South Wales?—From New South Wales and Van Diemen's Land.

1268. Lord *Mahon.*] In Colonel Gawler's despatch of the 23d of January 1839, he states that the two landing-places, Holdfast Bay and the Old Port, were of the most indifferent description; did you observe much practical inconvenience from that?—From both of those there would be practical inconvenience. The port has now been removed a mile lower down, and it is, in every respect, a good port. I saw where it was intended to be removed to, and that will obviate any difficulty.

1269. *Chairman.*] Do you know what the rate of wages was in the colony when you were there for agricultural labour?—From 8*s.* to 15*s.* a day; mechanics were 15*s.*, and labourers about 8*s.*

1270. Is anything given in addition to money payments?—Nothing when those wages are paid.

1271. Have you had any recent information upon the subject of the rate of wages?—I believe they continue much the same, according to the last accounts.

1272. Do you know what the price of provisions was when you were there?—The price of provisions was about 1*s.* a pound for all kinds of meat.

1273. And flour?—I do not recollect; but it was not dear when I was there; it has since been much dearer.

1274. Where did the flour come from?—From England principally, and from South America; from Chili.

1275. Any from Van Diemen's Land?—Some would come occasionally; but the market was overstocked.

1276. Mr. *Raikes Currie.*] You say that you would not now take 1,000*l.* for your town acre; do you think that that high price of town land is not the result of speculation, but that that is likely to be the permanent value of the land in the town?—I do.

1277. Captain *A'Court.*] You attribute that high price to the increased prosperity of the colony?—I do.

1278. Lord *Eliot.*] Can you state what amount of shipping the colony had when you were there?—I think there were 17 large ships when I was there; vessels of from 400 to 600 tons.

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1279. Any of them belonging to shipowners at Adelaide?—Several of the smaller belonged to the shipowners at Adelaide.

1280. Had the whale fishery made any progress?—Considerable progress at Encounter Bay; I visited the whale fishery.

1281. *Chairman.*] Are you taking out labourers with you, or do you expect to find sufficient in the colony?—I am not taking out labourers; I hope to find sufficient there.

George Palmer, Esq. called in; and Examined.

G. Palmer, Esq.

1282. *Chairman.*] WERE you one of the Board of Colonization Commissioners for South Australia from its commencement to the period of its dissolution?—I was.

1283. The Committee understand that you wish to address some statement to them with reference to a copy of a letter which has been laid before the Committee, from Colonel Torrens, as chairman of the late Board of Colonization Commissioners, to the Under Secretary of State for the Colonial Department, which is in these words: "The Colonization Commissioners for South Australia request that Lord John Russell may be pleased to grant them the honour of an interview, in order that they may make a communication to his Lordship on the subject of their receiving remuneration for their services"?—In the first place, I wish to put in a copy of a letter which I was required to write on the 2d of May 1835, two days previous to our being gazetted. Lord Glenelg required us to write a letter engaging to serve gratuitously, and not to resign without giving six months' notice to the Secretary of State for the Colonial Department; each of my colleagues I believe wrote similar letters.

[*The Witness delivered in the same, which is as follows:*]

To the Right Honourable *Charles Grant.*

Right Honourable Sir,

HAVING understood from Colonel Torrens that you have nominated me as one of the commissioners under the South Australian Act, and that you wish for a letter from me stating that I am ready to undertake the duties of the office gratuitously, and that I will not at any time relinquish it without giving six months' notice to His Majesty's Secretary of State for the Colonial Department of such being my desire, I beg to state that I have much pleasure in doing so, upon the clear understanding that I am not to be made responsible in a pecuniary point of view for any acts of the commission save and except such as I am a party to myself.

I have, &c.

14, Langham-place, 2 May 1835. (signed) *George Palmer*, Jun.

Mr. *Palmer.*] Then with regard to the other question, we did apply for an interview; but I deny most entirely that the interview was for the purpose of asking for salaries; it was for a directly different object, at least as far as regards myself, and I believe I may say as far as regards Mr. Mackinnon and Mr. Mills. With regard to Mr. Montefiore, he made this observation, "We want to have some chat with Lord John Russell."

1284–5. Do you mean that you yourself and the other commissioners you have named did not concur in desiring any renumeration?—Certainly not; an attempt was made to induce us to ask for salaries, but we would not do it.

1286. Mr. *Gladstone.*] Were you present at the meeting of the commissioners at which the letter of the 9th of December 1839 was agreed upon?—With regard to that letter, I never saw the letter till this moment; I had heard indirectly that there was such a letter, but I never saw it till this moment. The meeting at which we determined to ask Lord John Russell for an interview was on the 29th of November; and it was then determined that certain correspondence should be sent to Lord John Russell. I made a suggestion that Mr. Barnard, as being connected with the Colonial Office, and Mr. Montefiore, who had required certain correspondence to be read, should form themselves into a committee to arrange the correspondence to be sent to Lord John Russell, and to ask him for an interview. Then it was that the chairman, for the first time, said that he was the only party who had any right to communicate with the Colonial Office. I objected to that; and one of my colleagues, Mr. Montefiore, said, "If Colonel Torrens wishes to ask for an interview, it is only for him to ask for the interview; we will all attend and say what we like;" and it was then determined at that meeting that there was to be an interview,

interview, and we all agreed to attend, expecting to get an appointment the next day. I think Mr. Mackinnon was present at that meeting.

1287. *Chairman.*] Are the Committee to understand that on the 29th of November, being about 10 or 11 days previous to this letter, the commissioners did authorize the chairman to apply for an interview; but that they did not authorize him to ask for an interview for that specific object?—Yes.

1288. Mr. *Gladstone.*] Are you aware whether, in fact, a meeting of the commissioners was held between the 29th of November and the 9th of December?—There was.

1289. Were you present at that?—I was. I think the date was the 6th; I can ascertain that by referring to a memorandum. Immediately we met I expressed my great surprise that no appointment had been made; we had all been communicating with each other, intending to meet together to wait upon Lord John Russell whenever he made the appointment. I expressed my surprise that no appointment had been made. I thought we had not been treated very courteously; and then it was said, "Oh, the application has not been sent in;" and Mr. Montefiore immediately said, "Why has not it?" and then an observation was made by the chairman, "I suppose you want to ask for salaries." Now, to the best of my recollection, (but Mr. Mills and Mr. Mackinnon can answer for themselves,) Mr. Mills said, "We want an interview; I am not going to have any salary; I stated that long before." Mr. Mackinnon said the same thing. I think I said, "I know Mr. Hutt is of the same opinion also." The chairman, Colonel Torrens, then turned to Mr. Montefiore, and said, "What is your view of the subject?" And Mr. Montefiore's answer was, "We want an interview. If Lord John Russell wants to know whether I would incur the odium of being a paid commissioner for 50*l.* a year, I will do no such thing. I would not under one or two hundred."

1290. *Chairman.*] Then are the Committee to understand that there was a difference of opinion on the part of the commissioners on the subject, but that you yourself and the other commissioners you have named did not concur in wishing to have any salary for your services?—I am not aware that any one member expressed a wish for a salary.

1291. Mr. *Gladstone.*] Do you think the letter you have now seen truly represents the wish of the majority of the commissioners who were then present with respect to the object of the interview to be sought from Lord John Russell?—Certainly not.

1292. After having read this letter, are you of opinion that the Secretary of State would very naturally infer from it that the commissioners had asked for an interview for the purpose of requesting remuneration for their services?—Certainly; but then he had an opportunity of inquiring into the correctness of that statement; he knew that it was not correct.

1293. Mr. *Vernon Smith.*] What was the habit of your Board as to sending letters; were they generally submitted to the Board, or written by the chairman without being seen by the rest of the Board?—I cannot state that. This Board took place upon Friday the 6th, and that letter I believe was written privately by the chairman upon the 9th of December.

1294. Mr. *Gladstone.*] Are you aware whether any copy of that letter exists among your records?—I have not the slightest knowledge of it. In the following week, on the 13th of December, no appointment having been made with us, I then expressed again my astonishment, and I said, "Why has no application been made yet?" The chairman said, "I have made an application, but Lord John Russell is gone or going out of town, and will not be back till the 3d of January." I said, "It is very odd to wait so long." Mr. Mills said, "Never mind, we must wait, and we shall all attend."

1295. *Chairman.*] When did you first see Lord John Russell's answer, dated the 23d of December?—I received a letter, I believe, from the Secretary on the 25th, stating that, in reply to our application for an interview, he had received a letter from Lord John Russell, stating that we were all dismissed.

1296. Have you ever seen Lord John Russell's answer to the South Australian Commissioners, dated the 23d of December 1839?—Yes; we had one meeting afterwards, and then it was read.

1297. Lord *Eliot.*] Did you not, when you read that letter, desire to examine the minute-book with a view of ascertaining whether any communication had been

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made to that effect as from the Board?—I am ashamed to say we did not; we were very indignant.

1298. Lord *Howick.*] What was the practice of the commissioners with respect to calling meetings; was there notice given when meetings were to take place of the business to be brought forward?—Notice was given for each Board; but if there was any special business, we required that it should be mentioned.

1299. Is it your opinion that a letter of this sort, which was in fact an application for salaries, ought to have been adopted without some notice calling the attention of the commissioners to the fact that such an application was in contemplation? —An attempt was made to make us ask for salaries and it failed; that is the truth of the matter.

1300. Lord *Mahon.*] Referring to a letter of the Colonization Commissioners, dated the 16th of March 1837, did you concur in the application then made for a salary for your chairman?—Certainly not; I never saw that letter until the 29th of November 1839; I did not see Lord John Russell's letter to the Lords of the Treasury, of the 23d of December 1839, till after I saw it printed in the Times newspaper on the 29th of April 1840.

1301. The question was not whether you saw the letter, but whether you concurred in the proposition made in that letter, of a salary being given to your chairman?—Not exclusively; I will just state what occured: I believe in January 1837 the chairman called upon me, and stated that Lord Glenelg was extremely anxious for my opinion in writing as to whether it would not be for the benefit of the commissioners that a moderate remuneration should be made to the chairman and such commissioners as attended the Board, so as to secure a punctual attendance. He then brought me letters from most of the other commissioners; one from Mr. Mills and Mr. Hutt, and several others, and particularly one from Mr. Montefiore, and I wrote a letter to the same effect; unfortunately I have no copy of that letter, but, as far as I recollect, it was a copy of Mr. Montefiore's, and to the best of my recollection, the purport was, that I thought it would be advisable if there was a moderate remuneration for such persons as attended the Board. There had been a great deal of irregularity occasioned from not having a proper Board.

1302. *Chairman.*] Was not it the fact, that upon an application for a salary to the chairman having been made to Lord Glenelg, he declined to decide upon the application without being previously informed of the view taken of it by the rest of the commissioners?—That I found to be the case upon the 29th of November 1839; I never had heard a word of that letter, of the 10th of February 1837, until it was read (Lord Glenelg's) on the 29th of November 1839. At Mr. Montefiore's desire the whole of that correspondence was read.

1303. Was the salary to your chairman granted, in fact, from the time of the application, or from the period when his services commenced?—I know nothing about the time when it was granted. The first I knew of it was, that they put before me a warrant to sign for it, the finance committee having passed it as correct.

1304. Captain *A'Court.*] Did he, in fact, receive his salary from that time, or from the beginning of the commission?—I discovered, about the 15th or 16th of November, that he had received his salary from the day we were gazetted, the 5th of May 1835.

1305. Lord *Eliot.*] What was your view with regard to the description of remuneration which you thought ought to be made to the commissioners; what was the amount, and what was the manner in which you thought it ought to be distributed?—I do not think I mentioned anything of the kind; but if it had been left to my discretion, I think I should have suggested that there should have been perhaps two guineas for the chairman and a guinea for anybody that attended, provided they came punctually. If Lord Glenelg had, in reply to that letter, asked my opinion as to what it was desirable to do, I should have said not more than that, certainly.

1306. How often were your Boards usually held?—Once a week.

Martis, 16° *die Martii*, 1841.

MEMBERS PRESENT.

Captain A'Court.	Sir W. Molesworth.
Lord Eliot.	Mr. Parker.
Lord Fitzalan.	Mr. Vernon Smith.
Mr. Gladstone.	Mr. Sotheron.
Sir George Grey.	Lord Stanley.
Mr. G. Hope.	Mr. G. W. Wood.
Lord Howick.	

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

T. Frederick Elliot, Esq. called in; and further Examined.

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1307. *Chairman.*] HAVE the commissioners looked through the correspondence which has taken place between them and the resident commissioner, Colonel Gawler, with a view to separate all that is important from what is merely formal?—The commissioners have looked through the papers with that view, and I now deliver in those which they have selected as important, in reference to the administration of Colonel Gawler in matters of finance.

[*The Witness delivered in the same.*]

Vide Appendix, (Paper, No. 15), pp. 229-266.

1308. It has been alleged that the land sales fell off in consequence of the change of the commissioners; have you any statement to make upon that subject?—I should be very desirous to make a statement upon that subject. The new commission was appointed in January 1840; the land sales in England fell off in November 1839, two months before the new commission was named; the news of the new commissioners' appointment reached the colony in June 1840; the land sales in the colony fell off in January 1840, six months before the appointment of the new commissioners was known. As a question of time, therefore, this change would hardly seem traceable to the new Board; but there is another remark to be made. The principal quantities of land were sold by the late commissioners through the instrumentality of agents; the new Board employed the same machinery, the same persons, and for seven or eight months gave them the same rate of remuneration; therefore it would hardly seem owing to any change in the course of proceeding on the part of the commissioners that the land sales fell off.

1309. Does it appear that the sales had taken place in previous years during one period of the year, and that they had not been effected in the latter part of the year?—No; when it was explained that the land sales in England fell off in November 1839, two months before the appointment of the new commissioners, I have heard that it has been asserted in answer, that this was because it was a natural thing for them to fall off in November and December, and that former experience showed it was to be expected. Now, I beg to refer to the fifth page of the Third Report of the late Colonization Commissioners, and there will be discovered these facts: that in the month of November 1837 more land was sold than in any other month in the year, and that in the month of December of that year as much land was sold as the highest quantity in any other month, except November itself. In 1838 there certainly was a very trifling diminution of the sales in the month of November, but, on the other hand, in December three times as much land was sold as the average of the whole twelve months of the year. I do not think, after this, that the circumstance of the land sales having fallen off two months before the appointment of the new commission, is to be accounted for by the season of the year.

 1310. Are

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1310. Are you aware whether the falling off in the land sales had attracted the attention of the late commissioners previously to the change in the commission?—I think it will be in my power to put in a letter of the late commissioners, not only acknowledging the fact that the sales had fallen off under their management, but assigning what appear to me very judicious reasons to explain it. Two of the best authorities possible have accounted for the falling off of the land sales, the late Board of Commissioners in this country, and Colonel Gawler in the colony. I will read an extract of a letter from each. In a letter dated the 7th of August 1839, the Colonization Commissioners used this language: "You will observe that the sales of land for the last two months have been less productive than for the corresponding months of 1838. This appears to have arisen partly from an impression that it is more advantageous to purchase land on arrival in South Australia than previously to departure from England, but chiefly from the rivalry of the New Zealand Company; now, however, that it is understood that the company's preliminary sales are completed, such rivalry will probably be less influential." Here I must interrupt the extract just to explain that there were other companies also in the field during 1840, and that in fact the competition never has ceased. "Another cause of the temporary falling off in the sales of land is, undoubtedly, the uncertainty as to the progress of the surveys. If the commissioners could announce that any one purchasing a land order would be able to select his land immediately on arrival in the colony, there can be no doubt the sales would be greatly extended thereby."

1311. That relates entirely to sales in this country?—Yes.

1312. Have you any information with respect to sales that took place about the same period in the colony?—I will read Colonel Gawler's explanation of the falling off in the colony. This is in a despatch of the date of the 21st of March 1840, some time before the appointment of the new commission was known in the colony: "The sales of land in the colony have considerably decreased. This is nothing more than a necessary consequence of the purchases having far exceeded the pastoral and agricultural requirements of the population." * * * "It would be no disadvantage to the colony if land sales under the commission were to cease, until the territory already purchased were tolerably populated. There has been lately a most desirable depreciation in private prices of land, necessarily consequent on overpurchases. Land proprietors are now contented with moderate profits, and settlers, coming with money from England, can obtain land at moderate distances from Adelaide at reasonable prices; in some cases land sells below the original cost, but these are only when it has been badly chosen, or that the owner is in haste to obtain money. For the present it is very much more to the advantage of the colony that emigrants should come with cash than with land orders; the province requires not more land to be sold, but capital to be employed upon that which has been already appropriated. Absentee proprietors, who leave their purchases unlocated and unimproved, are the greatest foes to the prosperity of the colony; it is much to be hoped that a non-improvement Act may shortly be devised to remedy this evil, by judicious but heavy taxation." I hope these statements will be satisfactory on the subject of the land sales.

1313. In your last examination, you went through the establishment which existed under Colonel Gawler in the colony; and you were, before the next meeting of the Committee, to look through it, with a view to see if you could suggest any diminution of that, and to form an estimate of the future current expenditure of the colony under that head?—Before replying directly to that question, I would ask leave to say that I am afraid that any evidence in the nature of the last evidence I gave here upon matters of figures, must be rather confused to read; therefore I have digested the substance of the evidence I gave into the shape of a table, inserting precise amounts instead of those estimated as I went on, and I think it might be convenient to the Committee if that table were put in.

[*The Witness delivered in the same, which is as follows:*]

(A.)

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RETURN of the CIVIL ESTABLISHMENT of *South Australia*, exclusive of Land, Survey, and Immigration Departments, distributed under the Heads of Fixed Salaries and Contingencies, and distinguishing Police, Marine, and Miscellaneous Expenses, the whole on the scale of the last Quarter of 1839; together with an Estimate of the possible additional Charges on the Revenue, occasionally, for the permanent parts of the Departments connected with Land and Immigration, and of the Augmentation which may be found necessary in some of the Salaries of the Principal Officers of Government.

Also, a RETURN of the assumed INTEREST on the PUBLIC DEBT of *South Australia*.

	£. s. d.	PER QUARTER. £. s. d.	PER ANNUM. £. s. d.
Fixed Salaries:			
Total Government Establishment -	5,150 19 10		
Deduct Police - - - - - -	1,467 5 5		
TOTAL Fixed Salaries, exclusive of Police, Surveys, Land and Immigration Departments -		3,683 14 5	14,734 17 8
Contingencies:			
Stores, &c. - - - - - -	4,725 1 6		
Deduct for special purchase of Rice, as explained in Mr. Elliot's Evidence, question 939 - - - - -	2,167 – –		
£.	2,558 1 6		
Judicial Contingencies (the first two items in Colonel Gawler's Schedule after "Marine") - - - -	248 2 –		
Printing - - - - - - -	498 4 –		
TOTAL Contingencies - -		3,304 7 6	13,217 10 –
TOTAL Salaries and Contingencies, exclusive of Police, Surveys, Land and Immigration Departments - - - - - - - - - -		6,988 1 11	27,952 7 8
Police:			
Salaries - - - - - - -	1,467 5 5		
Contingencies - - - - - -	2,304 12 6		
TOTAL Police - - -		3,771 17 11	15,087 11 8
Marine - - - - - - - - - - -		1,020 7 8	4,081 10 8
Miscellaneous, including Infirmary, Botanist, and Men employed by Town Surveyors - - - - - -		706 4 4	2,824 17 4
TOTAL ESTABLISHMENT, exclusive of Surveys, Land and Immigration, on the scale of the last Quarter of 1839 - - - - - - -		12,486 11 10	49,946 7 4
Brought down - - - - - - - £.			49,946 7 4
Augmentation which it has been supposed may be necessary in the Salaries of some of the principal officers of Government, say - - - -			1,200 – –
Permanent part of Survey Establishment, estimated at - £.	2,300 – –		
Ditto, ditto, of Land and Immigration Departments, estimated at - - - - - - - - - -	1,000 – –		
£.	3,300 – –		
As, however, it must be hoped that in any year there could not fail to be some part of the Land Revenue applicable to these charges, state the possible charges under these heads at 2,300 *l.*, or say - - - -			2,353 12 8
			53,500 – –
ASSUMED INTEREST on the Public Debt of South Australia, including proposed Loan of 210,000 *l.* - - - - - - - - - -			16,000 – –
£.			69,500 – –

N.B.—The preceding Schedule includes only current and annual expenses, and contains no allowance for Public Buildings and Works, Roads and Bridges. The charge under those

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those heads for the last quarter of 1839 was 7,879*l.* 5*s.* It is not known exactly what buildings are completed, and what still in progress or not yet commenced; but in Col. Gawler's Minute of the 3d April 1840, there is a passage at page 127 of the Papers laid before the Committee, which mentions various buildings and works as still urgently required.

Here is also a Table of the comparative emigration to South Australia in 1839 and 1840, which I deliver in on the part of the Colonization Commissioners.

[*The Witness delivered in the same, which is as follows:*]

COMPARATIVE TABLE of EMIGRATION to *South Australia*, for 1839 and 1840, up to the Month of August, when the latter ceased.

	1839.	1840.
January	305	48
February	322	360
March	535	409
April	354	438
May	370	379
June	394	238
July	240	625
August	923	645
	3,443	3,142*

* The emigration was nearly stopped for the month of January, in pursuance of an order of the late commissioners, 8 November 1839, recorded on the Minutes of proceedings. Deducting that month from both years, the emigration of 1840 during the above period, was within less than 50 of that of 1839.

1314. Mr. *Parker.*] Will the correspondence you have put in between Colonel Gawler and the commissioners contain those portions of it which relate to the causes of removal of Mr. Fisher and Mr. Gilles?—The irregularities of each of those gentlemen are alluded to in some of these papers; but there is besides an exceedingly voluminous report of a Board upon Mr. Fisher's conduct, which would much encumber the Minutes of the Committee, and probably would not be thought necessary in a selection, of which the purpose is to illustrate the financial administration of Colonel Gawler.

1315. Do you know what was the object of that court of inquiry?—To inquire generally into Mr. Fisher's conduct, and to endeavour to ascertain why his accounts had never been delivered.

1316. Do you know the result at which they arrived?—On a matter so much affecting individual character, I would ask leave rather to produce an extract, if desired, of the despatch enclosing the Report, than to state the result in my own words, from memory.

With respect to a reduction in the amount of the expenditure, I beg to explain that I was willing to endeavour to suggest reductions, because I so much regretted to find the very large demands that would have to be paid by South Australia compared with its resources; but upon further consideration, and upon consulting too with one of my colleagues, I think I had better not make the attempt. So far back as in the month of May of last year, the commissioners had an intention of revising the establishments of South Australia, to see upon what permanent footing they should be placed, but in June the bills began to arrive in a much increased ratio; we felt the ground shifting, as it were, under our feet, and we could not execute our intention at that time. In December 1840, Captain Grey very properly applied for instructions, before he went out as governor, what course to pursue with respect to salaries, and we then resumed our intention of attempting to fix a permanent scale of establishment; but upon further conferences with Captain Grey and with other departments of the Government, we found the information about South Australia was so imperfect, and the uncertainty of its future prospects at that moment so great, that

that the only resource was to desire Captain Grey, the moment he reached the colony, to make a report upon the subject, and to defer any decision till the Governor could be heard from. I think under these circumstances, I should be very likely to fall into error if I were to enter into detail now upon the subject of reductions, but I beg once for all to state this result to the Committee, which the Table I have delivered in will exemplify. The whole annual current expenses of South Australia by the Table, upon the scale of the current expenditure in the last quarter of 1839, appears to amount to about 50,000 *l.* a year. A few additional items of expense in my last evidence would amount to 3,500 *l.* more; and the interest of the debt is assumed at 16,000 *l.*; so that the total demands on the colony for the ordinary current expenses are very little less than 70,000 *l.* per annum. The revenue has been estimated at 30,000 *l.* The deficit has to be provided for.

1317. *Chairman.*] That estimate is founded upon the establishments actually existing at the time of the latest accounts from the colony, and which Captain Grey is directed to revise?—It is so founded; and instead of proposing reductions in detail, I would leave it to the Committee to judge to what extent it is reasonable to suppose it possible the Governor may reduce.

1318. Allusion was made on the former day to the instructions to the resident commissioner of South Australia in regard to the receipt and expenditure of the public money, which are to be found at page 43 of the Third Report of the late commissioners, in which it is stated, that "Schedules are delivered herewith of the establishment and appointments in South Australia, as fixed by the Colonization Commissioners, and approved by the Lords Commissioners of the Treasury;" does the correspondence between the commissioners and Colonel Gawler, which you have to-day put in, comprise those schedules?—It does.

1319. Lord *Eliot.*] In the Paper, No. 5, put in by you, it appears that on the 1st of January 1841, the sum of 47,189 *l.* 12 *s.* 11 *d.* was due for passage-money, agency and sundries, and that bills to the amount of 43,766 *l.* 5 *s.* 7 *d.* have been presented but not accepted; can you furnish the Committee with an account, showing what portion of those liabilities had become payable on the 1st of January, and what further portion on the 1st of February 1841?—That sum of passage-money, agency and sundries, includes debts of which almost all must be actually due, unless it should happen to comprise, which I cannot state from memory, the next half-year's dividends.

Vide Appendix, p. 195.

1320. Can you furnish the Committee with an account showing what portion of those liabilities was due on the 1st of January, and what portion on the 1st of February?—I will endeavour to do so.

1321. Can you furnish the Committee with an account showing the sums which would have remained due in the hands of the commissioners on the 1st of January 1841, after discharging all the liabilities which had become payable up to that day, if you had raised a loan of 120,000 *l.* in June 1840, and if you had obtained from the Government a release of the guarantee fund?—I have not made that calculation; but in the Paper which I delivered in, No. 1, I have shown the Committee that the whole liabilities of the colony, including the repayment of the emigration fund, which was imperative by the Act of Parliament, and which, if the misfortunes of the colony were to be considered as averted, could never have been set aside, amount to 210,000 *l.* I therefore continue to suppose it impossible, that a loan of 120,000 *l.* would have paid 210,000 *l.* How it would have affected the exact state of the debts at this moment, I am not aware; but I know it was the intention of the commissioners above all things to replenish the emigration fund; and I presume, therefore, that the revenue claimants would have been the principal sufferers.

1322. *Chairman.*] Could the Government have released the guarantee fund without the intervention of Parliament?—That would depend upon the construction put upon the clause. I should be inclined to think that the Government could not permanently release the guarantee fund. On the other hand, there are words which seem to indicate, that the Secretary of State might for a time consent to a reduction in it.

1323. Mr. *Wood.*] Was not 5,000 *l.* of that fund released?—It was.

1324. Under what authority?—Under the authority of the Secretary of State and the Lords of the Treasury.

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1325. Without the intervention of Parliament?—Without the intervention of Parliament, but subject to an immediate demand for repayment, as provided for by the Act itself.

1326. *Chairman.*] When you speak of that 5,000 *l.* having been released, was not it the fact, that the Government, under the authority of the first Act of Parliament, drew upon that fund to that amount, in order to defray expenses incurred on account of the colony, which the commissioners were unable or unwilling to defray?—The manner in which I believe the guarantee fund to have been diminished, was, that Captain Hindmarsh, the first governor, without any authority whatever, drew upon the Lords of the Treasury. The late commissioners said, that the bill was not upon them, and therefore they would not pay it. The Lords of the Treasury, rather than return the bill to the colony, said, that they would pay it, but under the authority of this Act they intended to enforce repayment. The commissioners, however, always happened to have some sufficient reason to postpone the payment, and the colony is still in debt to the Government to that amount.

1327. Mr. *Wood.*] Then the 5,000 *l.* has not yet been replaced?—It has not yet been replaced.

1328. Lord *Eliot.*] Can you furnish an account similar to that before specified, deducting from the sum which would otherwise have been in hand on the 1st of January 1841, the amount of liabilities which would have become payable upon that day, had you despatched one emigrant ship of the average class in each of the months of September, October, and November 1840?—Those are rather difficult questions to answer extemporaneously, but I have no doubt that the accountant of the commissioners, by whom, and not by any member of the Board to enforce any particular view, were prepared all the statements I handed in, will also be able to furnish any other accounts whatever that any member of the Committee may wish to see.

1329. Did a correspondence take place in the early part of the year 1841, between your Board, or any member of the Board, and Mr. Freshfield, the solicitor of the commission, on the subject of a loan, to be raised by the issue of bonds receivable in the colony for land?—A correspondence did pass on that subject between Colonel Torrens and Mr. Freshfield. Colonel Torrens, I believe, thought that interest might be saved in raising the proposed loan, if the bonds were made payable in the colony for land, bearing interest, in the meanwhile, like any other colonial revenue securities. The other members of the commission thought it very doubtful in point of law, whether we had any right to make these bonds payable for land. The Act of Parliament distinguishes between loans raised on the security of the revenue, and loans raised on the security of land. Those bonds, which were to be accepted as payments for land, would virtually have been raised at once upon the security of the land. Mr. Freshfield, however, was written to; and he gave his opinion that it would be attended with considerable danger of violating the law, (unless I much mistake in my recollection of his letter,) to have recourse to this plan. He stated that everything would depend upon an accurate system of book-keeping, and this, be it remembered, in reference to a colony from which, at that time, we had not, from the beginning, been able to obtain a single account of any kind.

1330. Was that correspondence submitted to the consideration of the Board?—It was; and to the best of my recollection, after discussing the danger of irregularities in the book-keeping, some members of the Board urged the probable illegality of the device, and the particular member of the Board who first suggested the idea appeared willing to waive it. But I may be mistaken in the last point; I speak to the best of my recollection. I would only observe, that the whole of this correspondence related to the best mode of raising a loan, and did not affect the question of the time when the loan should be raised.

1331. Did the Board come to any formal or positive determination upon the subject, or was the matter allowed to drop?—I do not think the rejection of the plan was recorded on the minutes; it was, I believe, allowed to drop.

1332. Did Mr. Freshfield ever send in to the Board a professional bill containing any items of charge for preparing a draft of a colonial revenue security?—He sent in a bill for all his professional services rendered during the year 1840, and I have no doubt it is likely to include a charge for this correspondence.

1333. Did he make a charge for preparing the draft of a colonial revenue security, without knowing whether such a measure was in the contemplation of

of the Board?—It depended upon the discretion of Colonel Torrens, who wrote to Mr. Freshfield, whether it was desirable to incur the expense of his opinion, of which opinion the draft security formed an illustration. But I do not find fault with that discretion, for the Board could hardly decide whether or not they would use this form of security, till they had a legal opinion to assist their judgment.

1334. Can you furnish the Committee with a copy of Mr. Freshfield's bill, so far as relates to that plan for raising a loan by revenue bonds commutable for land, and a copy of the correspondence with Mr. Freshfield upon the same subject?—I was unable to procure from the commissioners' office the letters from Mr. Freshfield, but Colonel Torrens was good enough to furnish me with copies which he had been able to find at his own dwelling, and from those documents copies could be taken, I have no doubt, for the use of the Committee. The extract from the bill can be furnished without difficulty.

1335. *Chairman.*] Have you any record on the minutes of this correspondence?—It is mentioned once or twice in the minutes, in general terms, that the question of a loan was considered, and deferred; I dare say Mr. Freshfield's papers may have been considered on one of those occasions.

1336. Lord *Stanley.*] In one of the papers you have put in, a calculation was made of an annual deficiency amounting to 40,000*l.* a-year. Is not this calculation made without any reference to the uncertain expenditure for roads, bridges, and public works?—As stated in the Table, it is merely for the ordinary current annual expenditure; and I have no doubt that those other objects would require to be provided for also.

1337. Upon what ground is it that you have stated that 1,000*l.* a-year may be saved, or may be applied from the land fund in diminution of certain expenses which you have here enumerated?—Because I was in hopes that in no year would the land fund be actually reduced to nothing; and I named that sum as an assumption of the lowest receipts from that source.

1338. Have you examined what the total produce of the land sales has been, as set against the total expense of surveys and expenses connected with the emigration department?—It would have been an interesting comparison; but our accounts have been too imperfect for the earlier years, to admit of it.

1339. According to the paper you gave in, the total surplus of the land sales amounts to 56,000*l.* at the present moment. That is the total surplus of the gross proceeds of the land sales?—It is.

1340. Can you state what have been, up to the present moment, the deductions necessary to be made between the gross proceeds and the net proceeds of the land sales?—The Committee are aware that hitherto the surveys have been defrayed out of the revenues; and for the reason I have before mentioned, we are not able to say what has been the total cost of the surveys from the commencement of the colony.

1341. Can you state whether the total expense of the surveys has exceeded or fallen short of the balance due to the emigration fund?—I am inclined to suppose that at any rate it must have been equal to the balance now due to the emigration fund.

1342. Then, in point of fact, had the latter fund up to this time been charged with the expense of the surveys, there would have been no fund in hand to carry on emigration with?—My answer leads to that conclusion.

1343. Does your calculation in this Table proceed upon the supposition that, after defraying the expenses of emigration, there should be a net surplus of 1,000*l.* a-year, or does it proceed upon the calculation that the sales of land should amount to 1,000*l.* a-year, over and above the expense of surveys?—No; I look to henceforth making the land department and surveys primary charges upon the sales of land, so that if only 1,000*l.* is realized in that shape it would go to those expenses.

1344. Supposing the land fund to be hereafter charged with the expense of the survey, do you calculate upon a surplus of 1,000*l.* a-year, or do you calculate upon a surplus of 1,000*l.* a-year beyond the amount necessary for conducting the annual stream of emigration?—I would pay the survey department first, and would carry on the emigration afterwards, if there was a surplus.

1345. You have calculated here upon a sum of 1,000*l.* from the land fund in diminution of certain charges; do you calculate upon that 1,000*l.* as arising exclusive of carrying on the necessary stream of emigration, or do you calcu-

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late upon this 1,000 *l.* supposing no emigration whatever to take place?—I calculate upon that quite independently of emigration. What I mean is this; if only 1,000 *l.* a-year were received from land, I would apply it to the survey department, and the same with any further sums till the whole permanent part of the department were provided for, and when the whole of that part of the land and survey department were paid, then we would begin to think of introducing emigrants, but not sooner.

1346. Mr. *Wood.*] Has not a considerable portion of the money already expended in surveys been expended on portions of land not yet sold?—I think that is not possible; vast quantities of land remain to be surveyed which have long since been sold.

1347. Has there been more land upon the whole sold or surveyed up to the present time?—More land sold.

1348. Then the proceeds of sales are, in fact, at the present moment, debtors in equity to future surveys?—That is my opinion.

1349. Lord *Eliot.*] Is it your opinion that no part of the expenditure of which you have spoken could be dispensed with?—No; but instead of attempting to explain in detail upon what particular items I should expect to effect a reduction, I have stated the matter of fact as it stood at the end of the year 1839, leaving it to the Committee, as matter of discretion, to estimate what per centage it is reasonable to suppose Captain Grey may be able to reduce.

1350. Do you think it reasonable that persons emigrating should expect, in a new country, all the advantages of an old country, or to find all the employment for capital and labour which a new country furnishes, together with all the comforts and conveniences of a long settled community?—That question connects itself with a variety of general principles, upon which I am ready to give my opinion if wished; but it is difficult to express one of them in a detached way without the risk of misapprehension. I will answer, however, that I do not think they ought to expect the same advantages as in an old country.

1351. Is it not a necessary condition of the formation of a new colony that settlers should, for a time, undergo certain privations and inconveniences?—I am inclined to think so, but different opinions have been broached of late years.

1352. Is not then the expenditure of which you have spoken, disproportioned to the circumstances of South Australia?—We must have the detail, I think, to judge how much of the expenditure is indispensable, and how much not; and it is for that reason that the commissioners wished to receive Captain Grey's report, before adopting any positive calculations.

1353. *Chairman.*] You were asked on a former day whether you could furnish the Committee with the result of a comparison between the weekly pay of the police, as stated in the account of the civil establishment in these papers, and the ordinary rate of wages in the colony; are you now able to do so?—I have made some inquiry, and I find that the wages of the constables seem to be much higher in South Australia than in New South Wales and Van Diemen's Land; but on the other hand, there are two circumstances to be taken into account; first, I believe the wages of labourers generally are higher in South Australia; and, secondly, there is no doubt that both in Van Diemen's Land and in New South Wales they have, for different reasons, facilities for maintaining police much cheaper than in a colony where there is neither military nor convicts.

1354. In this civil establishment there are 30 constables at 1 *l.* 19 *s.* a week, and 23 constables at 1 *l.* 5 *s.* a week. Can you state what the ordinary rate of weekly wages was in the colony at that time for agricultural labourers?—I have not any accurate details upon that point, but I observed, in a recent debate upon emigration, which took place at Sydney, that a gentleman of good information mentioned that a shepherd of his had gone to South Australia, and was receiving 100 *l.* a-year. That is much about the pay of some of the constables.

1355. Lord *Howick.*] In comparing the pay of the constables in South Australia with the pay in New South Wales, did you take those constables in New South Wales who still preserve their claim, as soldiers, to pensions?—I have merely taken the cost to the colony, without entering into the question how it comes to be so cheap; but at the same time making the remark, in my present evidence, that there are special reasons for it.

1356. Are

1356. Are the constables, with respect to whom you made the comparison, what are called the mounted police?—I have not distinguished the kind of police.

1357. Lord *Stanley*.] In the paper you have put in, you calculated the annual revenue at 30,000*l*. a-year; that annual revenue arises at present exclusively from duties of customs. Can you state what duties have been imposed, and in what proportion those duties have been levied upon different articles?—I have not that information with me, but I presume it could be supplied from the legislative Acts of the colony.

1358. Can you state what proportion has been levied upon articles of provision, flour and articles of that description?—I am not sure whether there are any returns which would give that information.

1359. Can you state whether any considerable portion of that revenue has been raised upon the importation of articles of prime necessity which hereafter the colony will be able to raise for itself?—The only returns which there are from the Customs exist in our office, and I can, if the Committee wish, refer to them, and in case they give that information, produce them here.

1360. Mr. *Parker*.] If the colonists should get articles of prime necessity much cheaper than they now do, will they not have more money for foreign commodities?—The sooner they are capable of producing articles of export, the better they will be able to pay for imports which will yield a Customs revenue.

1361. If they had abundance of food at home, and therefore had not to pay imposts upon food brought from abroad, would they not have more money to spend upon foreign articles?—In every article of production, a certain amount of capital must be invested upon the spot, and it would not therefore exactly release an equal amount of capital to be appropriated to imports. But to the extent to which food could be grown, cheaper than it could be imported, there would be an actual release of capital; and I also have no doubt that, as their home products increase, their imports will increase also, because I assume that a large proportion of their home products will be articles which will be sold for export.

1362. *Chairman*.] Have you any addition to make to your former evidence with regard to the sales of land?—Since past topics of that kind have been raised, I am afraid I must feel it indispensable to make a few remarks bearing upon the conduct of the commission to which I have the honour to belong. Were it a mere personal question I should not say a word upon it; but it does obviously partake more or less of a public nature; and it must be an important inquiry for this Committee to ascertain how far the misfortunes that now exist in South Australia can be traced to faults of administration, and how far they grow necessarily out of the system.

It has been asserted with much confidence before this Committee, that the commissioners in the first place refused to raise a loan, which would have saved the colony from ruin; secondly, I find at the 22d page of the Fourth Report of the late Colonization Commissioners, a passage alluding to a scheme for placing the finances of the province upon a stable foundation, by providing for the payment of the interest, and ultimately of the principal, of the debt, of which scheme, if no remark were made, it might be supposed that the new commissioners had been culpably negligent; and, finally, I find it mentioned, by the same gentleman from whom both the other statements proceeded, that after the new commissioners had thus been conducive to the disasters of the colony, one of them (being myself) refused even so much as to concur in a letter laying before the Government the magnitude of the evils, and the strength of the reasons for endeavouring to find a remedy.

Now, upon the subject of the loan, I do not wish to add one word to what I have said already. I shall not trespass upon the time of the Committee upon that subject.

With regard to the scheme alluded to by the late commissioners, I think a few remarks are necessary. The passage is as follows: "It would be superfluous, and perhaps improper, to enter in this place upon an explanation of the measures which, had our functions continued, we should have felt it our duty to adopt, in order to place the finances of the province upon a stable foundation, by providing for the payment of the interest, and ultimately of the principal, of the debt of 123,396*l*." &c. From the superfluousness of communicating

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municating any plan which would have provided for those purposes in South Australia, I must express my entire dissent. Had any such plan been communicated to the commissioners who assumed the management of the affairs of the colony in January 1840, they would have accepted it with gratitude; but during the six months from January to July 1840, not a word was mentioned to us of this scheme. In July 1840, when we knew that the colony was on the verge of insolvency, this report was not merely sent in, but composed, for the first time alluding, in the name of the late commissioners, to a plan for placing the finances of the province upon an entirely stable foundation. Now, having said that we never heard of this plan till July, when it was too late to take any advantage of it, the report in which it was alluded to being written by a member of our own Board, I really must go on to explain that, up to the present day, we are not aware what the plan was. In an answer to a question put by this Committee, I think it was 163, I find an implication that this plan was to raise a new loan. In the first place, however, I must observe that in November 1839, just before the functions of the late commissioners ceased, they were actively employed in paying off their old debt; they paid off a sum of about 2,000 *l.*, and they entered upon their minutes a resolution to pay off 3,000 *l.* more. I am aware that in a document designated by the title of "Fifth period," which has been laid before the Committee, it has been said that so far back as May 1839 the late commissioners were thinking of raising a loan, and the inference is drawn that the measure in November 1839 was consistent with their original intention, and was merely a financial operation to get a favourable moment in the market to pay off some of the securities at very high interest; but I must observe, that in May 1839 the papers handed in to the Committee show that there was a deficit in the affairs of the commissioners, and that there had been a deficit for some half-years previously: at the end of 1839, as has been so often mentioned, there was a surplus, and it is at this period that they conceived the idea of paying off some of their securities. Notwithstanding these circumstances, however, I am quite willing to assume that the paying off the debt in November was merely a financial operation to save interest, and that it was consistent with the intention, after all, to raise a new loan also; but I must say that I am at a loss to know how borrowing fresh money is a scheme for providing for payment of the interest, and ultimately of the principal of a public debt. With these remarks I conclude all I wish to say in vindication of the new Board from appearing to neglect a plan which it would have been very culpable in them not to accept, had they been cognizant of one at all answering to the description that has been given.

With respect to the letter which it is said the commissioners refused to concur in, I have really great hesitation in entering upon the subject of this draft, for I am most unwilling to intrude anything like altercation upon the Committee, and I most sincerely declare that it is from no personal feeling that I discharge what I consider the duty of satisfying the Committee, and perhaps the colonists hereafter, upon the question, whether any one of the commissioners made himself an impediment to a fair representation of the case. The draft is dated the 26th of August 1840: it will be found amongst the printed Papers. A letter actually did go in to the Secretary of State, bearing the same date, and signed by me, which is also printed in the Papers laid before the Committee, and can be referred to, if wished. I will just mention, commenting as briefly as possible upon them, the passages in this draft which compelled me to refuse to concur in it. At the bottom of the page 200, after explaining the steps that would have been desirable in founding a new colony, the draft continues at the top of page 201, "This safe and proper course was rendered impracticable by the South Australian Act." Then it explains the faults of the Act, and a little further on, at page 202, it says, "Experience has proved that the plan upon which the colony of New South Australia was established, was essentially erroneous." Afterwards, it says, "The incongruous scheme upon which South Australia was established, has now broken down, and the only means by which the principle of self-support can be brought into practical operation, is for the Government to retrace its steps, and to take into its own hands the financial responsibility and control." These sentences, I will admit, were startling to me at the time they were proposed. It is unnecessary to say how far, now that circumstances have led me more minutely to study the early history

Vide Appendix, (Paper No. 10), pp. 200–202.

history of the colony, I may agree or not in the sentiments they convey; but up to the date when this draft was proposed, I had heard of little else but the success of the colony, and the satisfaction of all who were interested in the working of the experiment. At the first appearance of danger, I did not like to be a party to reversing the whole of the previous language. I did not like, on the first change in the state of things, to make a sudden, though tardy discovery that every one had been at fault, and that everything that had been done was wrong. I wished for more time before concurring in that sweeping condemnation, a condemnation of the Government, of Parliament, and of the gentlemen who had taken an interest in the scheme, such censure being irrelevant to the object of our letter. All that was material to our conclusion, was to show that the honest people settled upon the spot were not to be made responsible for the errors committed in England, an idea which I took good care to insert in the letter sent to the Secretary of State.

Then, after mentioning the delay in the settlers getting upon their land, the draft proceeds as follows: "From these causes, the settlement in South Australia was planted in a manner altogether different from that in which the settlements emanating from the expansion of the colony of New South Wales have been established. At Port Phillip the emigrating flocks from the earlier settled districts of New South Wales had overflowed on the neighbouring pastures long before any considerable progress was made in erecting a town. At Adelaide the process was reversed, and the town was laid out, and numerous buildings constructed before any considerable progress had been made in occupying the soil. Hence, at Port Phillip, the capital of the settlers is principally circulating capital, not perennially reproductive; while in South Australia the principal portion of the capital of the settlers is fixed capital, not perennially reproductive in itself, but deriving its value from the anticipated demand of the circulating capital which it is calculated to aid. This difference in the economical condition of the two settlements, will at no distant period disappear, from the growth of towns in the district of Port Phillip, and the increase of stock in South Australia. But so long as the difference may continue, the settlers in South Australia, from no fault or miscalculation of their own, will be more exposed than the inhabitants of adjacent colonies to checks, revulsions, and privations." Now, I wish to explain why I did not like to concur in that sentence. In this sentence it was said, that of two recently formed settlements, when both should have succeeded, and both should have become flourishing colonies, their circumstances would probably be alike; the only difference was, that the one was in a situation in which it must command success, without any extraneous help, or in spite of all extraneous opposition; and that the other was in a position in which it must immediately sink, if it did not receive very large aid from without. That seemed to me a severe sentence to write upon the subject of South Australia, in the middle of its distresses. Our only object was to show that it ought to be assisted; I do not deny that I considered that sentence as amounting almost to a satire, and I was unwilling to pass it at a moment when it was unnecessary, and without full time for reflection.

In the course of the draft it is said, that the number of sheep in the colony was estimated at about 150,000; that flocks both of sheep and cattle were arriving in quick succession, and that tillage had commenced with highly promising results. I thought it very probable that all those statements were correct, but I had never seen one tittle of evidence to prove them; I was not fastidious as to the kind of evidence; a private letter would have satisfied me, because we would have inserted what the proofs were; a newspaper would have satisfied me, because we would have quoted it; but I had waited for weeks and even for months, (for the same statement had often been tendered before,) and asked to see any evidence to prove these facts, but I did not receive it; and I did not think it consistent with the duty of a public servant to endeavour to give an official stamp, by my signature, to statements, of which I had personally no means of judging of the evidence.

The real and plain object of the intended letter was to obtain money from the Chancellor of the Exchequer. We mentioned in the draft that in the course of the last year the proceeds of the sales of public land amounted to 160,000 *l.*; I had no objection to mention that fact, but I thought we ought not to state it without also informing the Chancellor of the Exchequer and the Government,

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that in the succeeding year, unfortunately, the sales had considerably fallen off,—indeed fallen off, apparently, to less than 16,000*l.*; I made that objection, but the draft was sent in to the Secretary of State without the addition I proposed. The concluding part of the draft expressed a conviction that "the growing revenue, with the proceeds of the sale of public land, will prove amply sufficient to pay the interest and principal of the additional debt, and to avert the necessity of any actual advance from the public purse on account of the colony of South Australia;" that was the remaining passage of that draft from which I dissented. Having shown before this Committee that there will be in South Australia an annual deficit of 40,000*l.*, the reasons of my doubts will perhaps be sufficiently apparent.

1363. What was the date of that draft?—The 26th of August 1840.

1364. That was the letter which was intended as a substitute for the letter actually sent?—It was; it is with very great reluctance that I have discussed these grounds of difference; but naturally those who are interested in the colony will wish to know the grounds upon which the commissioners proceeded.

1365. Can you state what was the date at which the Fourth Report, signed by the late commissioners, was actually composed?—The Parliamentary Papers show that it was in course of being written so lately as the month of July 1840. Having now explained what I would not state, I request leave to read a short passage, showing what I was ready to state. This is a letter of 17th September 1840, which was written by myself, and signed by me and Colonel Torrens: "The colony of South Australia was formed with the consent of Her Majesty's Government, and with the concurrence of the Imperial Legislature, under whose Acts it was founded. Nothing was wanting to render the scheme to all intents a public one, or to stamp the authority under which it was undertaken with a national character. If in the original plan there were imperfections which delayed the assignment of their lands to the settlers, and thus retarded the growth of food for home consumption, or of produce to be given in exchange for food, or if any subsequent improvidence of the local authorities has precipitated a financial crisis, these are circumstances over which the colonists themselves had no power, and it will be deeply to be deplored that they should be involved in a ruin resulting from causes for which they are not responsible. Looking to the nature of the colonial constitution, and to the particular relations which under it this commission bears to the individuals who have embarked their fortunes in the colony, we have felt bound to offer to Lord John Russell the present appeal on behalf of the extensive British community which, during the last few years, has been settled on the shores of South Australia." That is the passage to which I was not merely willing to agree, but which I wrote myself, and on this alone, without any further quotations, I am content to rest the proof of my readiness to say all that could be said in favour of the colonists.

1366. Mr. *Wood.*] And in that passage Colonel Torrens concurred, and the letter was sent in with the signature of Colonel Torrens and yourself?—Colonel Torrens concurred, and it was sent in.

Alexander M'Shane, M.D. called in; and Examined.

A. M'Shane, M.D.

1367. *Chairman.*] HAVE you been in the colony of South Australia?—I have.

1368. When did you first go there?—I arrived in July 1839.

1369. Did you go direct from England?—From England.

1370. How long did you remain in the colony?—Nine months.

1371. Are you going out to it again?—No, I do not intend it.

1372. Did you go out as a proprietor of land which you had purchased in this country, with a view to settle there?—No; I went out as surgeon to an emigrant ship, not with the intention of remaining.

1373. Are you a proprietor of land in the colony?—No; I do not hold any land in the colony, or property of any other description.

1374. Did you ever purchase any land in the colony?—No.

1375. Did you remain there nine months with no intention of settling there permanently, but merely with the view of making yourself acquainted with the colony, or for what purpose?—I did not intend on arriving to settle there permanently,

manently, but I held a government appointment when there, and practised my profession at the same time, and I returned to England for the benefit of the voyage only. I received a serious hurt in consequence of a fall from a horse, and the cause of my leaving the colony was purely accidental.

1376. What government appointment did you hold?—That of superintendent of emigration. Shortly after my arrival I was offered this situation, and I afterwards intended to remain.

1377. You intended to remain as holding that situation, but not to invest any money in the colony in the purchase of land?—No; I should have returned to the colony had it not been for the turn which affairs took, and the recall of Colonel Gawler.

1378. Where were you principally resident while in the colony?—At Adelaide.

1379. Did you go at all into the interior of the colony?—I did, but not to any great distance.

1380. Were you able to form an opinion of the quality of its soil and its adaptation to agricultural purposes?—I think I had sufficient means of forming an opinion.

1381. Had you been accustomed to agricultural pursuits before you left England?—No; but I have been bred in the country, and know something of the matter, though I have never been a practical agriculturist.

1382. What opinion did you form upon the subject?—My opinion of the soil is favourable; I consider it suited to pastoral and agricultural purposes.

1383. When you speak of the soil, do you speak of the soil immediately in the neighbourhood of Adelaide?—I speak of it as far as I saw. Of the immediate neighbourhood of Adelaide and for some distance up the hills, I can speak with confidence.

1384. How was the soil which came under your own observation cultivated at the time you were there?—It was laid down in the usual manner for wheat, barley, and oats, and I have seen some potatoes.

1385. Can you state what number of acres were under cultivation when you left the colony?—No, I could not state accurately; I have not the necessary data.

1386. Mr. *Vernon Smith.*] Are you conversant with cultivation of that description in this country?—I have not been a farmer, but having been bred in the country, I know a good deal of the matter.

1387. You stated that it was laid down in the usual manner?—Much in the usual manner; there might be some slight difference; for example, the probability is that wheat was sown broadcast there, not in drill as here.

1388. Do you know whether the colony at that time grew corn sufficient for its own subsistence?—It did not.

1389. Do you know to what extent it did not?—I suppose that four-fifths of what was required for the consumption of the inhabitants must have been imported.

1390. Lord *Eliot.*] Was the breadth of land under tillage increasing rapidly?—It was.

1391. How soon might you expect that the colony would grow sufficient for its own subsistence, supposing it to proceed at the same rate?—If the increase of population went on at the same rate of 4,000 or 5,000 annually, that is to say, if 4,000 or 5,000 persons annually were imported into the colony without bringing any food with them, it would be some years before the colony could maintain its own population; but otherwise, I suppose that in two years it would be independent of foreign supplies.

1392. *Chairman.*] You mean, provided the population remained without any increase?—If it remained stationary.

1393. How far into the interior did you go?—I could not say exactly the distance; I do not think it was more than 18 or 20 miles.

1394. Do you know whether there was much land under cultivation at a considerable distance from Adelaide?—No, there was not.

1395. The land under cultivation is in the immediate neighbourhood of Adelaide?—Yes, chiefly in the neighbourhood. There are some districts at a distance, for instance, there is the district of Mount Barker, where there are some farms of considerable extent.

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1396. At what distance from Adelaide is Mount Barker?—I suppose about 24 miles.

1397. To what market do they bring their corn?—To Adelaide.

1398. What was the price of flour in the colony?—The price of flour was on the average 3 *l.* 10 *s.* per 100 lbs. at the time I was there.

1399. Lord *Eliot.*] Is the annual average produce per acre equal to the average annual produce of an acre of land in this country?—No; I would not suppose it quite equal.

1400. Mr. *Wood.*] When you say 3 *l.* 10 *s.* per 100 lbs. do you mean 3 *l.* 10 *s.* per 112 lbs. of English weight?—Per 100 lbs., not 112 lbs.

1401. Is flour imported in the barrel?—It is imported in the barrel of 180 lbs.

1402. This was not the price per barrel then, but for 100 lbs. English weight net?—Yes; a ton of 2,000 lbs. has been sold for 100 *l.*; it is to be remembered that the two or three previous seasons had been ones of extreme drought. There had been three consecutive seasons of drought in the neighbouring colonies.

1403. Did the price that you have last quoted continue for any length of time?—I think not.

1404. What were the customary prices when you were there?—The average was 3 *l.* 10 *s.* per 100 lbs. at that time.

1405. *Chairman.*] Had you charge of the emigrants on their first arrival?—I had.

1406. What description of persons came under your observation having gone out to the colony as emigrants?—Agriculturists, small farmers, and mechanics generally, and female servants.

1407. Did they find ready employment upon their arrival in the colony?—Generally.

1408. At what wages?—Labourers 7 *s.* a day, carpenters and masons 12 *s.*, 14 *s.* or 15 *s.* a day; stone-cutters the same, and others in the same proportion.

1409. Do you mean to say that they found ready employment upon their arrival, at those wages?—I had no difficulty, or very little difficulty, in finding them employment.

1410. Lord *Howick.*] Were they generally a respectable class of emigrants?—They were a good class, certainly.

1411. Mr. *Hope.*] Can you give any idea what their living cost?—Single men in a boarding-house had their board and lodging for 1 *l.* 5 *s.* a week.

1412. Captain *A'Court.*] Working men?—Mechanics, or whatever they might be.

1413. Mr. *Hope.*] What was included in that?—Board and lodging, meat and drink, not washing. The same person earned 2 *l.* 2 *s.* as a labourer, and 4 *l.* 4 *s.* a week as a mechanic; that is to say, supposing he was a carpenter or a builder he would earn 4 *l.* 4 *s.* a week.

1414. *Chairman.*] Was there any indisposition on the part of emigrants to go into the interior of the colony to farms remote from Adelaide?—Not on the part of agricultural labourers; on the part of those that came from large towns, particularly London, there was an indisposition, they would rather hang about the town.

1415. What sort of employment did these obtain?—There was a great deal of building going on, which furnished employment, and some were engaged as house servants and assistants in shops, warehouses, and offices.

1416. What sort of houses have the agricultural labourers in the country; for instance, at Mount Barker?—They have huts, mere huts.

1417. Were those huts prepared for them by the farmers before their arrival on the farms?—If the farmers were already established they would have huts for their labourers; if not, they would put them up in a few days. They look upon a mud or a framed house of wood as a permanent structure; if they had not those they put up tents or huts of rough materials, which answer very well for a little time. They drive stakes in the ground and weave wattles and small boughs between those stakes, and then plaster it in a rough manner with soft mud, so as to make it tolerably comfortable.

1418. Did you find that the expectations under which the emigrants had come out were generally fulfilled in their opinion?—Yes, of all the useful emigrants. I have not seen any one whom I would consider a well selected emigrant, who was not satisfied with his condition after his arrival, except in a rare

a rare instance, where himself or some part of his family may have been taken ill soon after landing.

1419. What was the general state of health among the emigrants?—Favourable.

1420. What opinion have you of the climate, as to salubrity?—I consider the climate, upon the whole, a good one; I consider it salubrious. I saw no evidence whatever, at any time, of the existence of marsh miasmata or malaria; we had no epidemic diseases: I did not see much even of ophthalmia; it was not at all so prevalent as has been described. I saw nothing which would make me look upon the climate as essentially unhealthy. The people generally enjoyed good health, and had a healthy appearance; even in the hot season appetite remained undiminished.

1421. Mr. *Gladstone.*] What is the usual range of the thermometer?—In summer the thermometer ranges from 70 to 100, or 105 perhaps, during the prevalence of a hot wind.

1422. Lord *Howick.*] Are you speaking of the temperature in the shade?—Yes, during the prevalence of a hot wind it may be above 100 in the shade.

1423. Lord *Eliot.*] You mean in the hottest hours of the day, not during the night?—A hot wind may occur in the night, but it rarely blows longer than eight hours; it is then succeeded by cool weather and rain. In the winter, I suppose the temperature is rarely under 50 or 40 in the middle of the day: very early in the morning I have seen a little frost, but it disappeared soon after sunrise.

1424. Mr. *Gladstone.*] Do you mean that the night temperature was ever up to 105?—I recollect a hot wind occurring in the night, in which case the thermometer would be as high as that.

1425. But such cases are rare?—They are rare; they perhaps may occur four or five times in a year.

1426. When such cases occur, would they be detrimental to health?—They would be hurtful to persons of dry fibre or nervous temperament.

1427. *Chairman.*] Can you name the diseases most prevalent in the country?—Mostly diarrhœa and dysentery.

1428. Sir *W. Molesworth.*] Where do the hot winds blow from?—From the north, from the interior.

1429. Do the diseases you have just mentioned attack the emigrants upon their first arrival?—I think there were more attacked soon after their arrival than at a later period.

1430. Lord *Eliot.*] Do you attribute that chiefly to the effects of the climate or to the food?—To both combined.

1431. Lord *Stanley.*] Did you notice any difference in the health of the emigrants that landed at different periods of the year?—Yes.

1432. What do you consider the most healthy time for arrival at Adelaide?—From July to December. I would say, that up to the month of December, there was but little disease in the emigration depôt, or in the emigrant population in the town; during December, and for some time during the hot season, there was very considerable disease.

1433. Lord *Eliot.*] Might not those diseases be partly attributable to the want of proper attention to the necessary change of diet on removing from a temperate to a hot climate?—Unquestionably they are attributable in a very great degree to errors in diet; the emigrants are for the most part landed in a state of plethora; after living in a state of idleness, and abundantly supplied with stimulating food for four or five months, they arrive there, and continue the same mode of life. They eat large quantities of animal food, and drink stimulating fluids; those are errors in diet, which, together with the high temperature in the day, cool nights, and other causes, occasion the diseases in my opinion.

1434. *Chairman.*] You went out as surgeon to an emigrant ship; had you much sickness on board on the passage out?— Not much; we had diarrhœa principally.

1435. Did you land the emigrants in pretty good health?—All in perfectly good health, with the exception of one woman; she may be said to have been in good though not robust health; she suffered very much during the voyage; was confined; she and her child were convalescent when they arrived, and in a fortnight after she was perfectly re-established.

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1436. What sort of passage had you?—We encountered a good deal of boisterous weather.

1437. At what time did you leave England?—On the 18th of February.

1438. What do you think is the best time for emigrants to leave England, taking into account the probable nature of the passage, as well as the best time for arrival in the colony?—Any time from February till June.

1439. You think that period combines both the advantages of good passage and of arrival in the colony at the best period of the year?—Yes.

1440. Lord *Stanley.*] Is the extreme heat of summer the most unhealthy time, or after the extreme heat towards February or March?—During the extreme heat, I would say, or even at the accession of the extreme heat. There was more disease at the commencement of the summer than at the termination of it.

1441. *Chairman.*] From what part of the country did the emigrants proceed that you went out with?—They were natives of Cornwall principally, and part of them from Norfolk.

1442. Mr. *Wood.*] What proportion of them were agriculturists, and what proportion mechanics?—I should say that two-thirds were agriculturists, perhaps three-fourths.

1443. Mr. *Hope.*] Were you employed in selecting them in Cornwall?—No.

1444. Sir *Wm. Molesworth.*] Were they good emigrants?—They were certainly unexceptionable.

1445. *Chairman.*] What were the prevailing habits of the emigrants, chiefly as to temperance?—I would say that they were persons of sober and industrious habits generally.

1446. Was there much consumption of spirits in the colony?—There was considerable.

1447. By whom?—By the working population.

1448. But you do not think that, considering them as a class, they are intemperate?—No; I would not say they were at all intemperate.

1449. Mr. *Vernon Smith.*] Have you been conversant with emigrants to New South Wales and other colonies?—Not to New South Wales; I have seen emigrants that have gone to Canada.

1450. Do you think that the South Australian emigrants were a superior class to the others that you have been acquainted with?—I think they were; it was my business in preparing material for the report of the emigrant department for the second half year of 1839, to make out a list of the persons who had proved themselves to be exceptionable characters, in order that the agents in England, by whom they were selected, might not be paid the 1 *l.* per head, which they were entitled to in case there was a favourable report sent home, and out of the whole number of emigrants who came through my hands when in the colony, which must have amounted to several thousands, I think I could make out but about 20 who were really objectionable upon any ground; they are mentioned in the report to the Emigration Commissioners.

1451. Did any of the emigrants come to South Australia upon bounty, or were they all selected here and sent out?—There are none considered emigrants except those who are selected and go out at the expense of the emigration fund; the others are considered free settlers.

1452. *Chairman.*] Can you state what proportion of the population of about 15,000 at the time you were there consisted of adults?—Between a half and two-thirds.

1453. Was the proportion of children among the emigrants large generally?—Not generally; I would say that the proportion of adults would be fully half, or perhaps more.

1454. Were there any schools in the colony when you were there, for the instruction of children?—There were; there was an infant school, and there were four or five day-schools in Adelaide.

1455. How were they supported?—The infant-school was supported by voluntary contribution; the others are supported by the parents paying for the education of the children.

1456. Mr. *Gladstone.*] Were those all schools for the labouring class, or any of them for those of a superior order?—Some of them were of a superior order.

1457. What was the nature of the highest school?—A classical academy, conducted by the Rev. Mr. Stowe.

1458. Who is Mr. Stowe?—An Independent or Congregational clergyman.

1459. How many pupils had he?—I cannot say; Mr. Shepherdson also had a very excellent school, as had the Rev. Mr. M'Gowan, and Rev. Mr. Drummond.

1460. Were those ministers of different chapels?—Yes; and there were several schools for young ladies besides, and a school for the natives.

1461. Lord *Eliot.*] Do the natives evince a willingness to receive instruction?—I could not answer that; the protector of the aborigines had a number of them at school.

1462. Have they apparently an aptitude to receive instruction?—I think them capable of being educated to a certain point.

1463. Mr. *Hope.*] You were understood to say that you had seen emigrants bound to Canada; in what part of the country did you reside before you went upon this voyage to South Australia?—I came from the north of Ireland.

1464. Those were emigrants that were collecting there for the purpose of going to Canada?—I have seen them shipped to Canada from Belfast, and I have also seen them in Canada.

1465. Captain *A'Court.*] Were there many Irish emigrants in Australia?—Very few.

1466. Mr. *Wood.*] What part of Canada were you in?—I went up the St. Lawrence; I was in Toronto for some time.

1467. Do you consider South Australia or Canada as offering greater temptation to emigrants?—I think the temptation is decidedly in favour of South Australia.

1468. Do you think they are more sure in going out to South Australia to meet with ready means of supporting themselves, and prospects of advancement than in Canada?—I think they are.

1469. *Chairman.*] Was there any emigration from the colony when you were there, to other colonies in the neighbourhood?—I never heard of any one that had come out as an emigrant leaving the colony, excepting one person; there may have been a few departures that I was not cognizant of.

1470. Do the emigrants obtain regular employment throughout the whole year in South Australia, or is there any period when it is more difficult to obtain employment?—I believe they are generally employed throughout the year, but during the heat of summer, I cannot see that they would have much to do in the country in an agricultural way.

1471. Were they engaged generally by the day, or by the week, or for a longer period?—Those employed in the town were engaged by the week, and those that went to the country were engaged by the month, or by the quarter, and provided with rations.

1472. Mr. *Wood.*] Were there demands in the colony for agricultural labourers to go into the interior to cultivate farms beyond what could be supplied by the existing state of things when you were there?—There was not a demand beyond that; there was a satisfactory demand.

1473. And a sufficient supply?—And a sufficient supply.

1474. They were about balanced?—They were very nearly balanced up to the time that I left the colony; at that time, I had a little difficulty in getting emigrants off.

1475. *Chairman.*] Did the rate of wages diminish while you were there?—It did not.

1476. Mr. *Vernon Smith.*] Was living expensive in Adelaide when you were there?—It was.

1477. Do you recollect the prices of food, of bread, and meat?—I think I do; beef and mutton were very plentiful, and could easily be obtained at 10*d.* a pound, in any quantity: the ordinary vegetables, such as cabbages, cauliflower, brocoli, salad, and the like were in sufficient abundance; dearer than here certainly.

1478. Was the style of society expensive there?—No, I should say it was not, considering the ease with which money was obtained.

1479. Lord *Stanley.*] Were most of the payments made in specie when you were in Adelaide?—They were.

1480. Were there any banks at that time established?—Two banks.

1481. Did they issue any paper?—Yes.

1482. What was the lowest amount of paper issued?—I think a 10*s.* note; I do not recollect any lower.

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1483. Were the ordinary means of payment 10 *s.* notes?—Yes, and notes of various amounts above that, and sovereigns and silver.

1484. Was there a great abundance of 10 *s.* notes?—I could scarcely answer that question; they were rather abundant.

1485. Lord *Eliot.*] Was there any difficulty of converting them into specie?—Not the slightest; you had merely to apply at the bank, and they were immediately converted into specie.

1486. Mr. *Wood.*] Were wages paid in paper or in specie generally?—It depended upon the amount; if it was a small amount it was paid in silver.

1487. Were the weekly wages paid in paper or in specie?—Usually in paper, I suppose, but I can hardly answer that.

1488. How was the retail trade of the town conducted?—Principally for cash.

1489. In specie or in paper?—Both.

1490. In what proportions to each other?—I could not say, but one was considered to be equally valuable with the other.

1491. Which preponderated most in circulation?—I suppose paper.

1492. What kind of money had they?—Sovereigns and silver.

1493. English coin?—English coin.

1494. The accounts are kept in English money?—Yes.

1495. Any Spanish dollars?—I never saw any.

1496. *Chairman.*] What was the rate of house-rent in Adelaide?—It was high.

1497. Did you occupy a house?—I had a free house provided for me by the Government.

1498. What salary had you?—£. 140 a year, with a free house and some privileges.

1499. Lord *Eliot.*] Was fuel dear?—No, fuel was cheap.

1500. Lord *Stanley.*] Did the fuel consist exclusively of wood?—It did.

1501. Mr. *Wood.*] Where did it come from?—The immediate neighbourhood of the town.

1502. Is there a large future supply of wood for fuel within a few miles of Adelaide?—An abundant supply.

1503. *Chairman.*] Is there much land covered with wood that has not yet been cleared?—The proportion of land covered with wood in the neighbourhood of the town is small; the wood is scattered over the country much as it is here in a gentleman's park; it is not like forest timber.

1504. How is it brought down to Adelaide?—By drays and carts.

1505. Mr. *Vernon Smith.*] Are the roads good in the neighbourhood of Adelaide?—They are sufficiently good; I speak of the roads to the port and the bay.

1506. *Chairman.*] Are there any market-gardens in the neighbourhood of the town for the supply of vegetables?—There are several.

1507. Can you state the rate at which land lets in the immediate neighbourhood of the town for market-gardens?—I could not state; I think those gardens are kept by the proprietors of the soil; I am not aware of any land being let for that purpose; if it were so let, it would be at a pretty high rate.

1508. Do you know at what rate any land has been sold in the immediate neighbourhood of the town for the purposes of cultivation?—It has been sold in the immediate neighbourhood of the town as high as 10*l.* an acre; I have heard of it being sold in the Mount Barker district as high as 8*l.* an acre.

1509. Mr. *Wood.*] Is that the most remote district where settlements have been made?—No, there are settlements in Encounter Bay, which is 60 miles distant south from Adelaide.

1510. What number of people may there be in that district?—I believe some 200 or 300, but I have not been at Encounter Bay; they have got a church there.

1511. Have they communications by water with Adelaide?—They have by sea.

1512. Lord *Eliot.*] Is there a sufficiency of water generally in the colony?—Yes, there is.

1513. Mr. *Wood.*] Is Mount Barker near the coast?—Mount Barker is 30 miles from the nearest coast.

1514. Lord

1514. Lord *Eliot.*] Can the ships obtain a supply of water at the port or at Glenelg?—Yes, the ship in which I returned watered at Glenelg, and obtained water without any difficulty.

1515. Of good quality?—Of admirable quality.

1516. From a well?—From a well at Dr. Duncan's station, about two miles from Glenelg; but within half a mile of Glenelg there are fresh water lagoons, which contain water all the year round, and without any difficulty tanks might there be constructed to supply shipping to any amount: again, at Torren's Island there is an abundant supply of fresh water.

1517. *Chairman.*] Has there been any export of wool from the colony?—There has.

1518. Do you know to what extent?—I cannot say to what extent, but I believe the returns published there are perfectly correct. On returning we were laden with wool and oil; oil, the produce of the Encounter Bay fishery, and wool, grown in the colony.

1519. Lord *Eliot.*] Is there any difficulty in procuring water for sheep and cattle on the hills?—I never heard of any; in the hills it is not necessary to dig beyond a few feet to obtain water, that is when it is necessary to dig at all, but generally it is not. There are pools and creeks, as they are called, rivulets in sufficient abundance.

1520. *Chairman.*] What was the population of Adelaide itself?—I take the population of Adelaide and the neighbourhood to be between 6,000 and 7,000.

1521. Are the streets laid out for an increase of population?—Yes.

1522. Were there extensive public works going on when you were in the colony?—There was a Government-house and public offices, and some minor works; besides the operations at the new port, where they were laying down wharfs which were almost complete when I left the colony, and constructing a road across a swamp to those wharfs, which make a very excellent landing-place.

1523. Were private individuals building houses in the town?—Yes, to a great extent.

1524. Of what were they built?—Brick, principally.

1525. Lord *Stanley.*] Was the brick made near the spot or imported?—Made upon the spot, and of excellent quality.

1526. Does the soil furnish clay?—There is abundance of clay in the neighbourhood of Adelaide for making brick, and lime is in abundance likewise.

1527. *Chairman.*] How far is the wharf from the town of Adelaide?—Six miles.

1528. Ships of large burthen cannot come within six miles of Adelaide?—No, it is not possible to come within six miles.

1529. Is not there water communication up to Adelaide itself?—No.

1530. Not even for boats?—No, the River Torrens loses itself in a place which is called the Reed-beds, before reaching the port, terminating in a swamp, like many other rivulets in Australia.

1531. Are there any buildings at the place where this wharf is being constructed?—There are stores in progress.

1532. Is there any town there, or any appearance of a town being created at that place?—Nothing beyond the stores just mentioned. There are two landing-places at present; the old port, at which there are a number of stores, and two or three taverns and a hotel.

1533. How far is that from Adelaide?—About the same distance, six miles. The old port was found inconvenient for the landing of goods, because vessels of heavy burthen were obliged to lie a mile below to discharge by means of launches, which could come to that port only during the time of high water: to obviate this inconvenience, the South Australian Company have gone, I cannot exactly say the distance, but some two miles further down the harbour, nearer the sea, where they have constructed a wharf, at which vessels will be able to discharge either at high or low water.

1534. What sized vessels?—Vessels of 400 tons; vessels of 500 or 600 tons may come up alongside at high water and discharge.

1534*. Lord *Stanley.*] Will you take that plan in your hand. (*The Map contained in the Third Report of the Colonization Commissioners being shown to the Witness.*) Directing your attention to that plan, do you see a line of road and

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and proposed canal to the harbour?—The road is complete, and there is a canal to the extent of about 200 yards.

1535. The new port, of which you have spoken as being in process of construction, is not included within that plan?—It is not.

1536. Lord *Howick.*] Does the road from the new port join this road, or is it separate?—It joins this road at about two-thirds of the distance from the town to the old port.

1537. Mr. *Vernon Smith.*] Do you consider the town of Adelaide placed in a good position for the capital of the colony?—I think it is; it is in a central position, close to a very excellent harbour, and in the neighbourhood of the older settlements.

1538. Mr. *Wood.*] Is the establishment of the new port likely to lead to the abandonment of the old?—It is.

1539. Will the money laid out upon the the old port become unproductive?—It will; but there has been but a very small quantity laid out in that place.

1540. Are there large undertakings carrying on by the South Australian Company?—There are.

1541. As far as you had an opportunity of judging, did they appear to you likely to be beneficial to the colony?—They were considered so.

1542. What was their nature?—This, at the new port, among others; and a very important concern, the whale fishery, which is considered beneficial to the province, as also is the establishment of the bank.

1543. Was it understood that they had made the whale fishery productive?—I did understand that it was productive at the time I left the colony, as then conducted. But it was considered that they had spent a vast sum of money at Kangaroo Island, and at Kingscote Harbour, which yielded no return.

1544. Were their operations looked upon generally with favour by the inhabitants?—I think they were.

1545. Were they considered judicious and likely to be productive of profit to the company?—I could scarcely answer that, not having been much engaged in commercial affairs.

1546. How many banks are there that issue small notes in the colony?—But two.

1547. What are their names?—The Bank of South Australia, and the Australasian Bank.

1548. Which of them does the most business?—The Bank of South Australia.

1549. *Chairman.*] The Australasian Bank is only a branch of a bank which exists in other colonies?—Yes.

1550. Mr. *Wood.*] Which does the most business in Adelaide?—The South Australian Bank.

1551. Is the South Australian Bank connected with the South Australian Company?—It is.

1552. By whom is it managed?—The manager was David Maclarren when I left the colony, who is likewise manager of the South Australian Company.

1553. Who managed the branch of the Australasian Bank at Adelaide?—Mr. Newland.

1554. Are there any other mercantile establishments or banks there that issue paper money?—None.

1555. *Chairman.*] Are there public institutions at Adelaide, such as savings' banks?—There is a savings' bank. There are public institutions; there is an agricultural society, a mechanics' institute and literary society; there are two or three clubs; there is a chamber of commerce, and an hospital.

1556. How is that supported?—By the Government chiefly.

1556*. Mr. *Wood.*] Is the hospital part of the public works erected by the Government with public funds?—Yes. There was a new hospital proposed to be erected at the time I left the colony, but the first stone was not then laid. The original hospital was built soon after the arrival of Captain Hindmarsh.

1557. *Chairman.*] Is the new one to be a substitute for the former, or an addition to it?—Not as an addition to it.

1557*. Mr. *Wood.*] Is the hospital supported entirely by the Government, or do the inhabitants contribute to it as they do in this country?—The inhabitants contribute to it; and persons pay a certain sum of money upon their admission.

1558. Are

1558. Are the voluntary contributions of the inhabitants considerable?—I cannot state the amount; I suppose they would be respectable.

1558*. Are the Government-house and the public offices which were in course of erection, large for a town of the present size of Adelaide?—The Government-house is large, I should say.

1559. Did it appear to you larger than was desirable or necessary?—Larger than was called for by the state of the province.

1559*. What was the feeling of the inhabitants of the town with regard to those operations; were they considered to be only what was desirable, or more than was necessary?—I believe there was a strong feeling to the effect that it was a misapplication of the funds of the colony.

1560. Were a large number of labourers employed in the erection of those buildings?—A considerable number.

1560*. Then there was a considerable amount of wages paid at that time for Government works?—Yes.

1561. Did that tend to make wages higher than they would otherwise have been for other operations?—I think so; and it tended to divert the labour from the land, and thereby keep up the price of food.

1561*. Is it your opinion that those works might, with advantage, have been in some degree delayed to a future time?—I think they might have been delayed with advantage.

1562. Lord *Fitzalan.*] Were the inhabitants satisfied with the establishment of police?—Perfectly. The police force is essential to the very existence of the colony, principally on account of the number of convicts who have made their way in from the neighbouring settlements.

1562*. *Chairman.*] Do you mean, by convicts, persons actually under sentence of transportation?—Yes.

1563. Do you know what number have found their way into the colony; 100?—I could not state the number; I suppose about 100.

1563*. Lord *Howick.*] Do you mean persons whose sentences had not expired?—Ticket of leave men; persons who were not then free, whose term was not expired.

1564. *Chairman.*] How did they get there?—Some were introduced by overland parties, who imported flocks of sheep from New South Wales.

1564*. Do you mean that they brought them as their servants into the colony?—Yes.

1565. Mr. *Wood.*] Did they find employment in the colony?—They did.

1565*. *Chairman.*] Do you mean that the settlers in the colony, having purchased flocks in the other colonies, brought convicts with them, knowing them to be convicts?—I do not say settlers, but others who have come as a speculation from New South Wales, have brought those persons with them.

1566. Are those individuals known in the colony as convicts under sentence of transportation?—Many of them are.

1567. Are they apprehended when they are seen to be going about in Adelaide?—Not unless there is a warrant issued against them by the magistrates of New South Wales, in which case that warrant is indorsed by a magistrate of South Australia, and they are then apprehended.

1568. You mean that, independently of that, there would be no evidence of their being convicts under sentence which would justify the magistrates of Adelaide in apprehending them?—None.

1569. Lord *Eliot.*] What has been their general conduct while in South Australia?—It has been very bad; they have been guilty of the grossest crimes; five-sixths of the committals have been of those persons and runaway sailors. Nearly all the great crimes that have been committed in the colony have been perpetrated by those persons.

1570. Are there many runaway sailors?—There must be a considerable number.

1571. Are the runaway sailors and convicts chiefly in Adelaide, or scattered over the colony?—There is a number of them in and around Adelaide, and a considerable number of them in the Stringy Bark Forest.

1572. In what manner do they live there?—They fell timber and split shingles; they work as labourers.

1573. Have the police been at all employed in preventing collisions between the settlers and the aborigines, or in preventing depredations on the part of the aborigines on the flocks and herds of the settlers?—They have.

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1574. Mr. *Wood.*] Do you consider the police establishment larger than is necessary?—Certainly not.

1575. Was it conducted in a more expensive and showy manner than the circumstances required?—I cannot say, but I think not.

1576. *Chairman.*] Do you know what the proportion of committals to the whole adult population was?—I do not know the proportion; my impression is that it was small; but it is a subject to which my attention never was specially directed.

1577. Lord *Eliot.*] Do you know whether the governor had taken any and what measures to prevent the arrival of convicts in the colony?—I am not aware that he has taken any direct measures to prevent their importation, or any measures to rid the colony of them, after their arrival, further than that if they be convicted of any crime, they are sent out of the colony; or if there be any of those persons against whom a warrant is issued by a magistrate in New South Wales, the governor has empowered the magistrates of South Australia to indorse that warrant, and then the police act upon it.

1578. *Chairman.*] But supposing a person comes into the colony who happens to be a convict under sentence of transportation, has the governor any power to prevent his entrance into the colony, if there be no evidence of his being a convict?—I am not aware that he has.

1579. Do not they come like free settlers?—They do.

1580. Is not it a necessary consequence of the proximity of South Australia to the convict colonies, that it must be subject to the intrusion of runaway convicts?—I think it is.

1581. Mr. *Wood.*] On what facts do you found your statements, that they are persons that have not completed the service of their term as felons?—From the evidence of some of the parties that brought them into the colony, and from knowing that warrants for their apprehension have arrived in the colony, upon which they were apprehended and sent back to New South Wales, and from general report.

1582. What number have you known so apprehended and sent back?—I cannot say.

1583. A large number?—I would say not large.

1584. Not large in proportion to the number of persons that have come in in that way?—No.

1585. Lord *Eliot.*] Are the natives, generally speaking, well treated by the settlers?—I think they are.

1586. Is the feeling of the natives to the whites, generally speaking, hostile or otherwise?—As far as I had an opportunity of knowing, it is not hostile.

1587. Do you know any striking instances of ill-treatment exercised by the whites towards the natives?—I have heard of instances of parties coming from the neighbouring settlements with flocks of sheep, who have stated that on any occasion when they saw blacks, natives, lurking about their nightly stations they have shot them.

1588. That observation applies to persons arriving from the other colonies, and not to settlers in South Australia?—To the former only.

1589. Can you suggest any regulations which are not already in existence for the better protection of the aborigines?—I am not sufficiently acquainted with the matter. I believe they are sufficiently protected at the present time by the laws. I am not aware that settlers can treat them in any manner whatever differently from Europeans.

1590. Do you think it desirable that in any future sales of land any quantity should be reserved for the future use of the natives?—I think it is highly desirable.

1591. Do you think they are susceptible of civilization, so far as to make them steady and well-conducted settlers?—If taken singly I think they are, or if taken when young; but if attempted to be civilized *en masse*, I think it is impracticable.

1592. Captain *A'Court.*] Do they show any reluctance to labour?—They do not show any reluctance to occasional labour, but to steady continued labour they do. They would carry you some water, and go out and bring fire-wood, and if you give them a biscuit they will be perfectly satisfied with having got that which would keep them till the next day.

1593. Mr. *Wood.*] How do they supply themselves with the necessaries of life?—The tribe with which I was acquainted was the Adelaide one, which receives rations from Government.

1594. How do those who have not aid of that kind from the Government, supply themselves?—They supply themselves by hunting and fishing.

1595. More than by agriculture?—I am not aware that they have shown any disposition to till the ground.

1596. Do they pursue fishing much?—I believe they do; those in the neighbourhood of the lakes and along the seashore.

1597. Do they evince any skill in carrying it on?—I cannot be certain as to that; I have heard that they do.

1598. Have they acquired any capital in implements and boats for conducting the fishery?—Not any that I am aware of, nothing beyond netting and bags.

1599. In what degree have they shown a tendency to accumulate property?—In no degree, so far as I am aware, further than that each of them is supplied with a few weapons.

1600. Do they bring any fish for sale to the settlers?—I never heard of their doing so.

1601. Do they conduct any traffic with each other?—I cannot say; I am not aware that they do.

1602. Each family provides for its own wants?—Yes, or perhaps the tribe share things in common.

1603. In the emigrant ship in which you went out, were there many settlers who took with them any considerable amount of property?—There were several settlers who were understood to have capital to some amount.

1604. Looking at the settlers in Adelaide and the interior as a whole, what proportion of them are persons that have brought capital with them beyond what would be necessary for their support for a few weeks or months?—I could not state the proportion, but I have reason to believe that there is a large number of persons of capital in the colony. I could not state the proportion that they bear to the labouring population, but I believe it is considerable.

1605. Were the pecuniary circumstances of persons coming out at all discussed in society, so as to lead to an impression of the amount of property they brought with them?—Generally they were. Immediately upon the arrival of a ship inquiries were made so as to discover the pecuniary means of the new arrivals. My impression, from all that I heard and saw is, that there is a large number of settlers who have capital in the colony to a considerable amount, and good connexions in England.

1606. What was the largest capital you have heard spoken of with anything like a degree of probability, as having been brought by any individual settler?—I can scarcely state; I have some recollection of several persons having each brought capital to the amount of 10,000 *l.*, and employing it in the town in building and in trade.

1607. In what form did they bring out that property?—Partly in cash; partly in goods.

1608. Does it come at times in the form of letters of credit upon the banks?—Probably; and I have known them bring out specie to a very considerable amount, and deposit it in the bank on their arrival.

1609. But a capital of 10,000 *l.* would hardly be taken out in specie?—No, it may be part in specie, part in goods, which could be converted into specie very soon after arrival.

1610. Was the market for manufactured goods for the purposes of clothing, supplied directly from Great Britain, or from some other place?—Direct from Great Britain, so far as I am aware; from London I believe exclusively.

1611. Were the South Australia Company engaged in sending out supplies of that description?—Not of clothing, as far as I am aware.

1612. But materials for making clothing, linens and cottons?—I cannot say that they were.

1613. *Chairman.*] Are there good shops in Adelaide?—Very good indeed; considering the age of the place, too good I would say.

1614. Are there handsome streets?—Hindley-street and Rundle-street, a continuation of Hindley-street, are good streets certainly.

1615. Were you at all acquainted with the kind of houses in which the labouring population lived, the bricklayers and carpenters?—Yes.

1616. Are you acquainted with them in this country?—Yes, I have seen many of them in this country.

 1617. What

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1617. What would be the result of a comparison between the two?—I would say generally that here they inhabit better houses, not speaking of the population in large towns, but in country places; labourers' cottages in England are of a much superior description to those in Adelaide.

1618. But looking at the mode in which the labouring population of large towns live, what would be the result of a comparison between large towns in England and Adelaide?—It would be highly favourable to Adelaide.

1619. Do the families in Adelaide occupy a whole house, or only part of a house?—Generally a house; the houses in general were built to suit persons of small means.

1620. Taking a man with a wife and three or four children, what would be the kind of accommodation which they would have?—A house with three rooms.

1621. Do you know what they would pay for that by the week?—They would pay for that in the town from 12*s.* to 20*s.* a week.

1622. Furnished or unfurnished?—Unfurnished.

1623. Are the houses built in good airy situations?—There is one extremity of the town which is not well aired, and if I were to confine myself to that part, I should speak rather unfavourably; but generally speaking I would say they are well aired; in most cases they are detached, so that there is perfect ventilation.

1624. What is the state of the drainage?—There has been but little attention paid to it hitherto, and it is not much called for.

1625. Are there good sewers in the town?—I am not aware that there are.

1626. Mr. *Wood.*] Is there a good fall in the streets for the water to run off?—There is not; a great part of the town is almost a dead level.

1627. *Chairman.*] Did you practice amongst the population of Adelaide as a medical man?—I did.

1628. Did fever prevail among them at all?—It did, but not to a considerable extent.

1629. Did you attribute it in any degree to the nature of the habitations, and to the defect of drainage?—I could not say that it was at all attributable to the want of drainage, or to an absence of ventilation.

1630. Can you state the number of churches or places of worship in Adelaide?—There was an Episcopalian church, and a second one building in the town; there was a Methodist chapel, and I believe some second place in North Adelaide, but of that I am not quite certain, as I do not recollect seeing it; there was a Congregational or Independent place of worship; there was a Presbyterian and a Baptist chapel; the Quakers met at Mr. Hack's, and the Roman-catholics met at Mr. Phillips's.

1631. Lord *Eliot.*] Have many of the natives been converted to Christianity?—I think the number is very limited indeed. The above places of worship are exclusive of those belonging to the Germans. In the immediate neighbourhood, there is a town at which they have a place of worship; they have a minister, and I think four or six missionaries preparing to attempt the conversion of the native population.

1632. Do the Germans in the colony generally speak English?—No.

1633. Do the missionaries?—Those that I have seen do. At Port Adelaide there is likewise a church, and at Encounter Bay there is one.

1634. *Chairman.*] A church belonging to the Church of England?—Yes.

1635. And supplied with a clergyman?—Yes.

1636. Mr. *Wood.*] Are the German missionaries Moravians?—They are Lutherans.

1637. What number of Germans are there in the colony?—There are six hundred.

1638. Do they all live together at the place you speak of?—No, they have two settlements, one called Klemsig, and the other Hansdorf.

1639. Did they all go out together?—They went at different times; those now located at Klemsig were the first colony; the second arrived more lately.

1640. Are they all belonging to the labouring population?—Of the labouring class, I believe, exclusively.

1641. Lord *Eliot.*] Are they, generally speaking, a well conducted and industrious body of people?—Exceedingly so.

1642. Are

1642. Are they disposed to amalgamate with the English settlers?—I think they are; I have never heard of their objecting to hire themselves out as labourers to the English.

1643. Have any intermarriages taken place as yet?—I have never heard of any; the bulk of them are living in those two settlements by themselves, in little colonies, with little or no intermixture with the English settlers.

1644. *Chairman.*] But performing the ordinary labour of the colony in common with the English emigrants?—Certainly; the people at the village of Klemsig supply the town to a very great extent with vegetables.

1645. Do the English emigrants in the country live chiefly in villages?—No, they live at huts connected with farm-houses.

1646. Lord *Fitzalan.*] Are the Germans under the same police regulations as the English?—Exactly the same; they are naturalized, and treated in every respect as the English population.

1647. Is there an abundance of fresh fish in the markets?—There is.

1648. Cheap?—Very cheap indeed.

1649. Captain *A'Court.*] Sea fish?—Sea fish, obtained principally at Port Glenelg.

1650. Lord *Eliot.*] Can you speak as to the number of ships usually trading to the port?—I cannot.

1651. Can you speak to the proportion which belonged to the inhabitants of the colony?—I know several myself, but I suspect that there are several others that I am not aware of; I know there are several belonging to settlers.

1652. Is there a considerable number of vessels belonging to persons resident in the colony?—I could not state the number; I know half a dozen myself; but I believe there are others that I know too little of to enumerate.

1653. Are any of those engaged in the whale fishery?—No.

1654. Is the whale fishery there carried on chiefly in boats from the coast, or in vessels at sea?—In boats from the coast in Encounter Bay; at some distance by American and other vessels.

1655. Not by vessels belonging to the colony?—Not by vessels belonging to the colony. The Encounter Bay fishery is carried on by boats.

1656. Is that an increasing trade?—It was considered to be so: I do not know personally the affairs of the company by which it is carried on.

1657. Lord *Fitzalan.*] Is there much game, besides butchers' meat?—Not at present, unless you go to a distance from the town; you must go a considerable distance before you find the emu or the kangaroo.

1658. Captain *A'Court.*] Is there much poultry?—A great quantity of poultry.

1659. Lord *Howick.*] Have the poultry increased rapidly?—They increase rapidly, and there must be now a considerable amount.

1660. *Chairman.*] Where do the horses come from?—They are principally imported from Van Diemen's Land, and many come over land from New South Wales.

1661. Mr. *Hope.*] Do you concur in the view, that the prosperity of the colony has been greatly promoted by the expenditure of the Government upon the public works and other expenses, such as police and the customs department?—I do not see that the prosperity of the colony can be in any degree said to be promoted by the public works, that is, the Government-house and the public offices; but the expenditure of the Government upon the surveys and the police, I consider, was essential. I do not see how it could have been avoided; the colony must have come into a state of disorganization without it.

1662. Mr. *Gladstone.*] Was there any part of the expenditure of the Government, except that upon the Government-house and the public offices, with respect to which you understood that dissatisfaction prevailed in the colony?—I do not think there is any whatever.

1663. With respect to the dissatisfaction which prevailed, as regarded the Government-house and the public offices, was it an opinion that the buildings were extravagant in themselves, or was it only that the undertaking of them should have been postponed for a time?—Simply that they were commenced too soon. There is nothing in the buildings themselves that is objectionable; they are plain and unpretending; it is merely owing to the high price of food and of labour in the colony that they are objected to.

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1664. Mr. *Wood.*] There is no unreasonable ornament about the buildings?—Certainly not.

1665. Lord *Eliot.*] Are you acquainted with the method in which the surveys have been carried on?—Not minutely; originally, the survey was carried on trigonometrically; latterly, it has been a running survey.

1666. Are you aware whether a colonist, purchasing land to a certain extent, had a right to demand a survey of that particular allotment?—He had a right to demand more than that. Supposing he purchased 4,000 acres, he had a right to demand a survey of 15,000, a great deal more than he purchased.

1667. And consequently the surveyors were not able to pursue a particular course, but were removed from one part to another, as circumstances required?—Yes, just as special surveys might be taken.

1668. Do not you conceive that that is an unnecessarily expensive mode of carrying on surveys?—I think it was unnecessarily expensive. It had its advantages too.

1669. Would there have been any objection on the part of the purchasers to have borne a portion of the expense so caused?—I think there would have been a decided objection to bear any portion of the expense. They purchased upon the condition that they were to have the right of selection of land already surveyed.

1670. Lord *Howick.*] Had the purchasers of land generally been put in possession of their allotments when you were there, those that were in the colony?—Yes; there was a great deal of land selected at that time, and there was a great deal open for selection; so that unless persons were very fastidious, there was no reason why they should not have selected their land and settled upon it.

1671. *Chairman.*] You mean land actually surveyed and ready for occupation?—Actually surveyed.

1672. Lord *Eliot.*] Had they a right to insist that the survey should be a trigonometrical one?—I do not think they had.

1673. If it had not been a trigonometrical survey the expense would have been much less?—I believe there has been a running survey for a considerable time. I believe there was little beyond the preliminary sections surveyed trigonometrically; but that was completed before my arrival in the colony.

1674. *Chairman.*] Is there anything further that you would wish to state to the Committee, with respect to the general condition of the colony?—I think the general condition of the colony is very favourable. The colony requires little but to be left to itself in order that it may succeed; it has already a large stock of sheep, cattle, and horses, and its soil is coming into cultivation rapidly.

1675. Lord *Eliot.*] Do you think that if the present financial difficulties be removed, the resources of the colony are sufficient to enable it to defray its own expenditure for the future?—Amply sufficient to meet the necessary expenditure. But I do not say that they would be sufficient to enable it to pay the interest upon the sum which it is now necessary to borrow to remove its financial difficulties.

1676. But you believe that its resources are capable of great increase of developement?—Very great.

1677. Lord *Howick.*] Do you conceive that if some addition was made to the uture selling price of land, with a view to create a sinking fund for the payment of the debt, in that manner it could gradually be removed?—I think it could.

1678. Lord *Eliot.*] You think a higher price than 1*l.* per acre could be easily obtained?—I think there might be some addition made to it, for example, to cover the expense of surveying; but if there was any considerable addition to the up-set price, it might deter settlers from going there; they might prefer going to the neighbouring settlements.

1679. Mr. *Hope.*] When you say that you have no doubt that the colony could support itself and pay its expenses, you have made no special calculation what the expense of the colony would be?—I would deduct from its expenses the public works; the survey staff might be diminished to a very great extent. After them would remain the expenses of public offices and the police; which I think could be very well borne by the colony.

1680. Judging from what you saw, do you consider that the establishment of public officers or of the police, would admit of any reduction?—There might

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might be a considerable reduction in the surveying staff. I do not see that the police could be reduced, unless some more stringent means were employed to prevent the entrance of bad characters into the colony.

1681. In speaking of the ability of the colony to maintain itself, you have no particular data as to the expense of those establishments; you have never made a calculation of what the revenue of the colony is, and what would be the cost of the establishment which you would suggest?—I am aware of the revenue of the colony, which at present amounts to something approaching 30,000 *l.* annually, and is increasing rapidly. The expense of the survey I think amounted to as much as 20,000 *l.* annually.

1682. But omitting the expense of the survey, are you aware what the present expenses of the colony are?—Yes; omitting the survey, I think the present expenses, including the public works, amount to nearly three times the actual revenue. But as to the financial circumstances of the colony, I am not able to give any decided opinion. The subject is out of my line of observation; but from what I have seen of the colony, and of its capabilities, pastoral and agricultural, I have not the slightest doubt of its ultimate success.

Jovis, 18° *die Martii*, 1841.

MEMBERS PRESENT.

Capt. A'Court.	Lord Mahon.
Lord Eliot.	Sir W. Molesworth.
Lord Fitzalan.	Mr. Parker.
Mr. Gladstone.	Mr. Vernon Smith.
Sir George Grey.	Mr. Sotheron.
Mr. G. Hope.	Lord Stanley.
Lord Howick.	Mr. G. W. Wood.

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

George Fife Angas, Esq. called in; and further Examined.

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1683. *Chairman.*] ARE you now prepared to give the Committee detailed information with reference to the Bank, in connexion with the company of which you are a director?—I have a return of the bank, which is made out on the principle of the returns required by the Act of Parliament from the Australasian Banking Company. It is a statement of the liabilities and assets of the Bank of South Australia on the 30th of September 1840, the latest period of the accounts yet received by the company.

1684. Have the goodness to read that account.—

[*The Witness read the same, as follows:*]

STATEMENT of the LIABILITIES and ASSETS of the Bank of South Australia, in the Province of *South Australia*, on 30th September 1840, the latest period of the Accounts yet received by the Company.

LIABILITIES.

	£.	s.	d.
Notes in circulation, not bearing interest	17,531	–	–
Bills in circulation, not bearing interest	5,603	18	8
Bills and notes in circulation, bearing interest	nil.		
Balances due to other banks, at Hobart Town and Port Phillip	1,985	7	8
Cash deposited, not bearing interest	nil.		
Cash deposited, bearing interest	85,603	5	3
£.	110,723	11	7

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ASSETS.

	£.	s.	d.
Gold, silver, and other metals	13,937	2	4
Landed property, being bank premises, &c.	2,020	9	8
Bills of other banks	154	–	–
Balances due from other banks at Sydney and Launceston	3,631	7	6
Debts due to the bank, including notes, bills, &c.	208,879	8	9
£.	228,622	8	3

£.	s.	d.	
228,622	8	3	
110,723	11	7	
£. 117,898	16	8	net capital.

In connexion with the above, I observe that the company's bank is the principal one in South Australia: also, that the rates of business were,—

Discounts at 10 % per annum.
Interest allowed on daily balance of current accounts, 4 % per annum.
Ditto - charged on overdrawn accounts, 10 % per annum
Ditto - allowed on cash deposited, 7 % per annum.
Drafts on London, Sydney, Van Diemen's Land, and Port Philip, granted, at 3 % per annum.

London, 13 March 1841.

E. & O. E., p. South Australian Company.
Edmund J. Wheeler, Manager.

Mr. *Angas.*] I may state, that the whole of the company's capital, which is 320,000 *l.* and more, is responsible for the payment of those liabilities. The rate charged for discount of 10 per cent. per annum is precisely similar to that of all the Australian colonies. I may be allowed to read an extract from the last communication we had from the manager, which will show the principle on which he is managing the financial operations of the bank. These are his words: "Bills before discount are carefully considered, and accommodation bills for land or otherwise of an objectionable nature, are carefully excluded. The extent of business transacted in the colony is thus plainly indicated." I may remark here, that the values of the notes are, 10 *s.* (which is the lowest), 20 *s.*, 5 *l.*, and 10 *l.* In consequence of the early establishment of the company's bank, the wages of labour have been paid in the colony in cash from the very commencement, consequently the truck or barter system has been avoided altogether, and the wages paid form a good standard of the value of labour.

1685-6. Lord *Stanley.*] Can you state what proportion of the circulation is in the smaller, and what proportion in the larger notes?—I am not prepared to state that.

1687. Mr. *Wood.*] You say that wages have been paid in money?—They have been paid in money from the commencement of the colony.

1688. By money do you mean specie?—Yes; the notes of all the banks are convertible into specie at any time.

1689. Is it the practice to pay wages in specie, or in small notes?—I believe, in both, as it is in this country.

1690. Mr. *Sotheron.*] Are the small notes convertible on demand?—All the notes are; the notes have been found particularly useful in travelling in the colony, for the specie would have exposed them to robbery. The bank has been of great value to South Australia, being a new colony, by being a secure place of deposit for the property of the colonists, having strong rooms and safety chests.

1691. Lord *Eliot.*] Are people very much in the habit of depositing their specie with the bank?—I believe that is nearly always done.

1692. Lord *Mahon.*] Do they deposit valuable property as well as specie?—They deposit title-deeds.

1693. Lord *Stanley.*] What is the practice of the bank; do they advance money upon bills at one uniform rate of discount, without reference to the comparative solvency of the parties applying?—No instance has occurred within my recollection of two different rates of charge having been made; for no bills were ever taken for discount without perfect satisfaction as to the solvency of the individuals, either by reason of the names on the bills themselves or by their depositing securities.

1694. Have the bank any pecuniary transactions with the government?—The proceeds of the sales of the land were deposited in the company's bank, and were remitted through the bank to London on the commissioners' account. The company in London had a communication with Mr. Hill, the secretary of the Board of Commissioners, on the 17th of May 1838, proposing to open a revenue fund to be withdrawn in the colony, and an emigration fund in the colony to be withdrawn in London. The company proposed for the Revenue Fund to allow and charge 10 per cent. interest, and to charge 10*s.* per cent., that is, half per cent. commission for transacting the business, but that half per cent. was to be on one side of the account only. The Emigration Fund was to be remitted to London at the current rate of exchange, whatever that might be in the colony. The charge was to be two per cent. if the exchange was at a discount, and one and a-half if the exchange was at par or at a premium. On the 26th of May Mr. Hill communicated the commissioners' temporary assent to that arrangement, and on the 13th of June 1838, Mr. Hill wrote, referring to the temporary arrangement, and stated that the commissioners wished to have an emigration fund account of 2,500 *l.* quarterly, to be drawn by the resident commissioner at Adelaide. Hence it would seem that a large portion of the Emigration Fund had been withdrawn in the colony itself for the services of the government, and the residue appears to have been remitted to London. The commissioners stated then that they preferred an uniform rate of commission, and Mr. Hill required to know the company's terms, and on the 22d of June 1838, the directors proposed to allow seven per cent. interest for any sum deposited in the bank on the government account, and if the account were overdrawn, to charge 10 per cent. interest.

1695. Those were your usual terms?—The usual terms for every one; and a half per cent. commission was the charge on our side of the account, which in fact are the usual terms. On the 27th of June 1838, the commissioners assented to this arrangement till further notice. Of course it was optional with them to terminate the arrangement at any time they pleased; there was no agreement as to any certain period. There was an increase of the quarterly transfer from the Emigration Fund for the use of the governor to the amount of 3,000 *l.* per quarter, making about 12,000 *l.* per annum.

1696. Were you in the habit of discounting government bills for cash in the colony?—I never knew an instance of the kind. I may state that the company have had occasionally, but very seldom, drafts of the governor upon the commissioners in London; they have had a few of those bills through their hands. I think we now hold two or three, amounting to somewhere about 2,000 *l.*

1697. Were you in the habit of advancing cash upon those drafts?—Never, that I recollect. The bank did advance cash to the governor; but it was to be repaid in the colony, and it has been, I believe, chiefly repaid, if not altogether so.

1698. To what amount, and on what terms, was that advance made?—It was on the terms of the arrangement made with the commissioners in London to charge 10 per cent., and to allow seven. If the account were overdrawn, 10 per cent. interest was charged; if there was anything in hand, seven per cent. was allowed by the bank.

1699. In the case in which you state that you made an advance to the government, was that advance to the government upon the ordinary terms of 10 per cent. interest?—I believe it was.

1700. To what amount was that?—That advance, I think, was 15,000*l.* It appears in the statements laid before the Committee; I think 8,000*l.* of that had been paid previous to October, and I think the whole has been since repaid.

1701. Mr. *Wood.*] Was that a solitary transaction, or have there been others of the same kind?—I remember two years ago or more, in Captain Hindmarsh's time, the government of the colony was in great difficulty; so much so, that they could not pay the salaries of the officials; and he applied to the bank for assistance, and some 5,000*l.* was advanced upon that occasion to enable him to pay the salaries till assistance was obtained from this country.

1702. Lord *Stanley.*] At the same rate of interest, 10 per cent.?—I do not remember the interest; the probability is that it was 10 per cent., for there is no lower rate of interest charged in any of the Australian colonies.

1703. What security did the bank take for the advance?—No other than the security of the treasurer, backed by the governor.

1704. *Chairman.*] How long was it before that advance was repaid?—In a very short time?—I do not exactly recollect; I suppose about three or four months; the Land Fund soon enabled the commissioners to replace it.

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1705. Mr. *Wood.*] Was it an advance on account of the Land Fund or the Revenue Fund?—I cannot say how the commissioners regulate their financial affairs.

1706. Did the government give you any guarantee, chargeable upon the revenue of the colony, for that advance of 5,000 *l.*?—No.

1707. *Chairman.*] It was a transaction between the governor and the bank?—Yes.

1708. Mr. *Wood.*] Was there any correspondence showing the nature of the applications, and the terms upon which the assistance was afforded?—I dare say I can obtain that from the company, if it were desired.

1709. With respect to the other advance of 15,000 *l.*, when was that made?—I believe the Committee have that in evidence. We consider it improbable, from the tenor of the communications we have received from our manager, that any further advances would be made to the government.

1710. You know that part of that 15,000 *l.* has been repaid, and you think the whole?—I expect so.

1711. Do you know of any other transactions of that nature, besides those to which you have referred?—I do not think any of that nature have occurred besides; I am not aware of any others; I rather suppose that the principal part of the drafts of the governor on the commissioners in London have been negotiated through another medium. Many of the parties who arrived with stock in the colony, which stock was purchased and paid for by private individuals, have chosen to exchange the money they received, in payment for their stock, for drafts on England; and I suspect they have purchased the governor's drafts, so that the money did not come through the South Australian Company's Bank. I believe the company's indorsement is not to be found on any one of those bills, except what we hold ourselves.

1712. In what way did those bills you now hold come into your possession?—I suppose they were paid into our bank by private merchants, but I cannot speak positively.

1713. Have the South Australian Bank been in the habit of making advances to the governor in exchange for the governor's drafts upon the commissioners in England?—I am not able to answer that question. It is probable that it may have been done in some instances; but we should of course, in that case, have had the bills through our hands; now we have had very few through our hands; I suppose the commissioners themselves could answer that question.

1714. Lord *Fitzalan.*] In the 95th page of the printed Papers, 12 per cent. per annum is stated to be the interest of the 15,000 *l.*; can you say whether that is right or not?—I am not aware of that; I think 10 per cent. is the amount.

1715. *Chairman.*] Does not that letter from Colonel Gawler, of the 3d of February 1840, which you now hold in your hand, refer to the transaction which you have just stated in your evidence (*the Despatch from Governor Gawler to Colonel Torrens, of 3d February* 1840, *being shown to the Witness*)?—I think it does. We have not received the particulars of that transaction from our manager. The returns have not come; they are made up to certain periods, and have not yet been received.

1716. It appears that the advance was made on the 31st of December, and that the terms agreed upon were, "that 3,000 *l.* should be transferred, on the 1st of January, from the Emigration Fund to pay off a portion of this loan, and that the remaining sum of 12,000 *l.* should be paid off on or before the 31st of March 1840, with interest at 12 per cent. per annum on the daily balance?"—I do not recollect that information; but our manager could speak more distinctly upon these items than I can.

1717. You do not know whether those terms were complied with, and the whole advance paid off on the 31st of March last?—I have no information to that effect.

1718. Mr. *Wood.*] Can you account for the rate of interest being there stated to be 12 per cent., while you inform the Committee that the established rate for advances by the bank is 10 per cent. per annum?—I cannot account for it upon any other principle than that it has been a specific arrangement made for that advance between the governor and the company. I believe in some instances in the colony, as high as 15 per cent. has been charged for discounts.

1719. By the South Australian Bank?—Not by the South Australian Bank; I have stated the terms upon which the South Australian Bank does its business.

There

There are many individuals in the colony who are men of capital, who lend out money. I know one gentleman who went out with 20,000 *l.*

1720. The question referred to the operations of the bank; has 10 per cent. per annum been the established rate of discount of the bank from its origin to the present time?—Those are the rates charged by the bank at the last returns.

1721. Do not you know whether that rate has been a fluctuating or a permanent rate?—I do not know. In all the Australian banking transactions there are fluctuations; but those are the standing terms of business charged by the bank.

1722. *Chairman.*] Is the rate of charge irrespective of the time for which the loan is required; that is to say, do you charge the same rate of interest if the loan is for a fixed period, that period being a short one, as for an indefinite period?—I should expect the rate of interest would be higher for a long period than for a short one, because the money is locked up, and you cannot turn it over.

1723. Mr. *Wood.*] By variable rates, do you mean variable to different individuals at the same time, or variable at different times?—I mean variable at different times, and variable according to the length of time, just as in this country a bill at six months cannot be discounted on the same terms as a bill at three months.

1724. Then the South Australian Company has not a fixed rate with respect to its rate of interest, similar to the Bank of England, but there are special agreements made according to various circumstances?—The Bank of England has not a fixed rule, because it changes its rate of interest frequently, and no bank in London has a fixed rule in that sense; but there is a general rule which admits of exceptions. I have quoted the terms of our general rule; and I was not aware of any deviation from that rule in any instance till I saw what is mentioned in that communication.

1725. Is not the Bank of England's rate of interest always the same at the same time, for transactions of the same nature; that is to say, for the discount of commercial bills?—The Bank of England varies its rate of interest at different times; the Bank of England acts differently from other banks in this respect, that instead of altering its rate of discount to different parties, it rejects the bills altogether.

1726. Does the South Australian Bank vary its rate of interest from time to time, or does it receive a different rate of interest from different parties at the same time, according to the nature of the bills that come for discount?—There is no rule without an exception; I have stated the general rule. There seems to have been an exception in this instance of which I was not informed, not having received the returns.

1727. Can you account for the bank having charged to the governor so high a rate of interest as 12 per cent. upon the transaction which has been referred to, supposing they were not charging a similar rate of interest upon mercantile paper at the same time?—Perhaps they were charging a higher rate of interest on mercantile transactions at that time, provided the extent of period which the bills had to run was beyond the ordinary limit.

1728. You do not suppose that they charged the governor a higher rate of interest than they charged for mercantile bills of a first-rate character at that period?—I do not think so.

1729. Do you know whether the bank limits the power to discount as to the period which bills have to run?—I cannot speak to that; in a new colony it should be observed they cannot be so orderly and systematic in all their transactions as in an established civilized country. There are a thousand difficulties arising in the course of the establishment of a new colony, that can never be known in this country; and it is impossible to go into that minute and critical examination of the proceedings of either a mercantile or a banking establishment in South Australia, which it would admit of in this country.

1730. What do you suppose to be the longest date at which mercantile bills have been discounted?—I cannot answer that question.

1731. What do you suppose to be the customary dates?—I suppose they will run from two to four or six months; I cannot speak correctly as to that.

1732. Have the bank any rule requiring a certain number of independent securities to be placed upon the bill as a condition of discount?—Always two securities.

1733. Out of what kind of transactions do those bills arise?—There are very large mercantile transactions; there is a very extensive coasting trade, and a very considerable foreign trade; I have a return here of the coasting and the India trade of the colony, which will throw some light upon that question. The number

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of vessels which had arrived from the neighbouring colonies since the establishment of the colony, being about four years, was 255, and the tonnage 39,500; consequently there must have been a very large amount of produce and goods imported. The number of passengers reported from the neighbouring colonies is 678. Seven vessels have arrived from New Zealand with timber; the tonnage amounted to 1,217 tons, the reported passengers from New Zealand, seven. The cargoes consisted of timber, potatoes, maize, and other produce. Five vessels have sailed from South Australia to New Zealand, tonnage 899; number of passengers, 24; so that we can ascertain pretty correctly the amount of emigration from South Australia to New Zealand.

1734. Lord *Stanley.*] Did the vessels that went to New Zealand take out any produce?—I believe it will be found from the Custom-house reports that they took some British manufactured goods; I think they took some provisions. Doubtless they were not full, but they took provisions and manufactured goods, as far as I have information. The number of vessels from India was 11, the tonnage 3,317. The number of passengers coming from India I cannot ascertain exactly, but the cargoes consisted of merchandize, rice, sugar, wheat, flour, &c. The imports into the colony for the last half-year amounted altogether to 180,000 *l.*, which would be equal to 360,000 *l.* a-year. The trade must have been very considerable, because, in addition to these there are all the fishing operations. There are several vessels employed in the fishing, not merely those belonging to the company, but the French and Americans have fishing vessels off the coast, which take their supplies from our settlement.

1735. Do you mean the whale fishery?—Yes; by accounts received yesterday, dated 27th of November, there were then three large vessels laid on at Adelaide, to sail on the 1st of January 1841 for London direct, which would be loaded with wool and oil. Those vessels would of course carry a considerable quantity of ballast, and arrangements are making to ballast them with some valuable productions, such as marble and copper ore. I have a specimen of the marble with me, which I shall be happy to produce. (*The Witness produced the same.*) The marble would by that means be brought to England, without any expense. These are merely specimens from the surface, and I think the interior, according to the account we have, will be equal to Carrara marble; the ballasting of ships will enable the colonists to bring the article to London without any expense whatever.

1736. In what part of the colony is the marble found?—In the Barossa range.

1737. How far from Adelaide?—Taking the direction of the river, the distance is not more to the port than about 35 miles; it is nearly a dead level. There is also some very good tin ore and copper ore; this is a specimen of the tin ore (*producing the same*).

1738. Are they working any copper mines in the colony?—They had commenced working a mine on the Barossa range, and these are the first outside specimens.

1739. Lord *Eliot.*] Is the ore found at no great depth from the surface?—These are surface specimens, copper, iron, and tin; the iron ore is unlimited; there is iron ore close to Nepean Bay, the harbour of which will admit of ships of 800 tons. It produces a proportion of 70 to 75 per cent. of iron ore. Slate also is an article with which they may ballast wool ships; blue slate is produced of most excellent quality, so good that the company are slating the roofs of the warehouses which they are building at Port Adelaide with it.

1740. Lord *Mahon.*] Is slate more abundant in this colony than in the other Australian colonies?—I am not aware what quantity is found in the other Australian colonies; I suspect that it is rarely found in the other colonies. This is said to be of very superior quality, so that I have great hopes, speaking of the resources of the colony, that these productions will enable the colonists to carry on a considerable export trade. I have a geological report from the company's geologist, Mr. Menge, of the minerals of the colony. There are no less than a hundred different species of minerals in it. With the permission of the Committee, I will deliver in this Report. (*The Witness delivered in the same.*)

Vide Appendix, (Paper, No. 11), p. 205.

1741. Lord *Stanley.*] What is the distance from the range where the marble is found, to the nearest navigable point of the river?—I should say about 25 miles; but it ought to be observed that it is a back carriage, because the conveyances which take productions and goods from Port Adelaide, would otherwise return empty.

1742. Is that the road which you stated to be so good?—Yes.

1743. Lord

1743. Lord *Mahon.*] Do the marble and the ore come from the same range?—Nearly all those hills produce minerals of different descriptions.

1744. Within what extent?—The whole extent, I suppose, will be about 10 or 15 miles; I have a geological report of this part of the country, which I shall be happy to deliver in.

1745. Mr. *Sotheron.*] Has any of this iron been smelted?—It has been tested by the geologist.

1746. It has not been made use of in any way?—Certainly not.

1747. Mr. *Wood.*] It is usual, in making sales of produce and merchandize in the colony, to sell it upon credit?—I think not; the usual terms are, acceptances at certain dates, and sometimes cash; I have known cash transactions.

1748. It is the custom to sell either for cash to be paid down, or for acceptances?—Both.

1749. And those acceptances are commercial bills, which come to your bank in the usual course of business for discount?—Yes.

1750. Have you seen a letter of Mr. Jackson's, the colonial treasurer, addressed to Colonel Gawler, dated Colonial Treasury, 10th of December 1839, which is among the printed Papers, No. 1, page 95?—I have not seen those papers.

1751. You have not seen the Papers laid by the Government before this Committee, which are printed, and marked No. 1.?—I have not. If there are any questions arising out of that paper, and I should be put in possession of it, I shall be happy to get information from our manager upon the subject.

1752. Have the bills drawn by the governor for colonial disbursements been purchased by parties who had occasion to make remittances to England for merchandize imported?—I am not able to say, because the bills have not come through my hands, nor the hands of the company; I understand some of them are in the hands of the Union Bank, and in the hands of the Australian Bank. The Union Bank is not established in Adelaide, but in Sydney, and I think the commissioners gave certain instructions to merchants in Sydney and in Hobart Town to negotiate bills for them; I have heard so; I am not officially acquainted with the fact.

1753. *Chairman.*] You are a director of the Union Bank of Australia?—I am.

1754. Does that do any business in South Australia?—No business in South Australia.

1755. Mr. *Wood.*] Do not you suppose that the merchandize imported from England into South Australia has been paid for to a considerable degree in government bills?—I believe not; I do not think any of it has. The merchandize imported from England has been sent out with the capital of merchants, or is the property of private settlers.

1756. In what way do the English manufacturers receive payment for their merchandize?—By the property of the persons who export it.

1757. Do you suppose that it has been taken out as part of the capital which the settlers took out with them?—I think so, in a very large proportion.

1758. Then, supposing there was no demand for bills in the colony for the purpose of making remittances for the merchandize imported, how has the governor been enabled to make sales of his drafts upon England?—I have stated already that many of the parties from New South Wales who had brought over stock to the colony, have sold the stock for cash, and with that cash they must have purchased the governor's bills.

1759. Then that stock you apprehend to be paid for by the governor's drafts?—No; the stock was paid for by cash belonging to the individual merchants and settlers in the colony; the importers of the stock having received that cash, naturally wished to have means of remitting to England, and they consequently purchased the drafts of the governor; I suppose that was the operation.

1760. Is not the result this, that the colony received those herds and droves of sheep and cattle, and that the payment made for them was by means of the governor's drafts upon England?—I do not think that is a necessary inference; it has the appearance of being so, but it does not necessarily follow that it was so, because merchants' drafts, as well as the governor's drafts, were purchased in the same way.

1761. The governor has drawn bills to a large amount upon England; has not that been *pro tanto* a supply of government money to the colony?—Doubtless it has.

1762. Then a part of the prosperity of the colony has arisen from the government expenditure upon public works paid for by drafts upon England?—I think

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that is not a proper inference to draw from transactions of that kind; because you might as well say that building the Parliament House here is the cause of the prosperity of Great Britain; the same principle applies in both cases.

1763. Is not the government expenditure in colonies productive of prosperity to the colonies?—Certainly.

1764. Is not that the case in South Australia as well as elsewhere?—Yes, as well as in London.

1765. Has not the circumstance of the governor undertaking a considerable outlay in the colony upon public works, which is provided for by drafts upon England, been conducive to the prosperity of the colony to the extent of those drafts?—I think it had a tendency to keep up the price of labour.

1766. Had it not a tendency to draw capital from England to the colony?—Certainly it had, to the extent of those drafts.

1767. You say it had a tendency to raise the price of labour also; that tendency would produce a counteracting effect as regarded those who were employers of labour?—I view it in that light, which is the reason why I demurred to the proposition of its tending to the prosperity of the colony. I think the colony would have prospered much more if those drafts had never appeared.

1768. You think that it apparently tended to prosperity, but that the prosperity so created is apparent only and not real?—I think so. I have a letter which shows the tendency of those drafts upon the prosperity of the colony, at least so far as external influence goes. It is dated Serampore, in India, so late as the 16th of January. It states, "The fact is, that the embarrassed circumstances of the colony, in consequence of the heavy debts incurred by Governor Gawler, have had the effect which might have been expected, of drawing off attention from the settlement. The papers which have appeared in London have been reprinted here, and have filled the public mind with apprehensions. I hope that the next mail will bring intelligence that some arrangement has been made for honouring those bills, and preserving the credit of the colony." Now I argue from this, that the governor's drafts upon England, instead of increasing the prosperity of the colony, have had counteracting tendencies, and this is one of them.

1769. They produced a counteracting tendency afterwards, but for the moment they must have had a beneficial tendency to all appearance?—I am decidedly of opinion that the large expenditure of the governor has been an injury to the colony. It may have given a certain stimulus for a time to the employment of labour, but in the end it has been exceedingly injurious to this new colony.

1770. The object of the question was to endeavour to ascertain the fact?—There is certainly a very great demand for capital in the colony. I have a letter in my hands, which I received from the governor, dated the 10th of July, in which he states, "That which we want is population and capital. Capital, capital to bring the land sold into operation. Between the Gulfs and the Murray there is comfortable room on good available land for from 100,000 to 200,000 inhabitants. The agricultural, horticultural, and pastoral capabilities of this portion of the colony are very great; if they were but properly represented, respectable settlers would flow fast upon us. The social condition of the colony is admirable. I do not think that a better understanding between all classes of the community exists in any portion of the globe, notwithstanding passing differences of opinion."

1771. Is not it your opinion that there has been a much more rapid and larger supply of capital to this colony than has been the case with any other colony?—Perhaps tenfold. But I conceive that the capital has not been more than sufficient for the demand; the rapid increase of the population, in consequence of the system which has been adopted, has rendered a larger influx of capital necessary than would have been required under any other circumstances, and that perhaps is one cause of some of the difficulties which have arisen in respect to South Australia. Another cause is the delay in getting possession of the land.

1772. If the supply of capital has been so much larger than in any other case, and the colony has been so prosperous in that respect, how do you account for the governor saying, "We want capital, capital, capital"?—Because the amount of population and of the capital already invested create a demand for further capital. If I purchase an estate for 5,000*l.* I require further capital to improve that estate. We know that in England a farm of 1,000 acres, although the farmstead and the fields were all ready prepared, would require a capital of at least 4,000*l.* or 5,000*l.* to do justice to its culture. So the introduction of capital into the colony has created a demand for a still further supply.

1773. You

1773. You are not satisfied with the degree of prosperity as to the supply of capital and of labour which this colony has derived from the mother country?—It has been much greater than I anticipated. But it has not been greater than the circumstances of the case demanded. It should be recollected that this has been altogether a new experiment, and that it has advanced in a manner which has no parallel in history; that sudden demands for labour and for capital besides other accommodations have arisen which were never expected. Some of those have been met by the interposition of the South Australian Company; others by the emigration of large capitalists, and those collateral advantages have prevented much mischief which otherwise would have arisen. I should be extremely happy at a future time to go fully into the investigation of the causes which have not only led to the present prosperous state of this colony, but to the inconveniences which have arisen, and also to show that hereafter in colonization the experience of the past should suffice to produce a better system of emigration, and of the settlement of colonies, than has hitherto existed.

1774. Mr. *Vernon Smith.*] Have you been in the habit of corresponding with Governor Gawler?—I have had correspondence with Captain Hindmarsh and Governor Gawler from the beginning.

1775. In your correspondence with Governor Gawler has he given you any explanation of his recent expenditure which you would be willing to communicate to the Committee?—No, he does not mention it in his correspondence with me. This has been chiefly upon the moral and spiritual condition of the colony. I have always taken a great interest in schools, and in the moral welfare of the people; it has been upon such topics that my correspondence has been chiefly carried on with the governors.

1776. Mr. *Wood.*] The prosperity of the colony having been such as you have described, is it not unreasonable to be crying out that still more capital and labour are wanted in an accelerating ratio, and is it not doubtful if the speed of that prosperity were still further increased it might not be hazardous?—I did not say we wanted more capital and labour; I said we wanted more capital. As to the question of labour, that, I think requires further consideration. I am of opinion that labour has been sent out too quickly; but with respect to the capital, it has been exceedingly well applied, and is one cause of the prosperity of the colony; it is a foundation upon which the Government has a right to calculate as a fair security for the loans which are now applied for. I have made a comparison between the means of supply of food in the colony, and the population, which, I think, is a very important question; we have 14,000 or 15,000 people there now, and I can show that we shall be able to provide food for them without any import from other countries.

1777. Mr. *Vernon Smith.*] What do you mean by "the present state of prosperity of the colony?"—I shall take the different articles of stock, in order to illustrate my idea; first of all, there are horses. I find that the proportion of horses in the colony to the population is as one to 10; in England it is as one to 11. In respect to cattle, I perceive that in England there is one ox or animal to three persons. In South Australia there is one to one person. I take sheep, and find that in England there are 2 ½ sheep to one inhabitant; in South Australia there are 12 sheep to one person. Now I infer from this, that there is a vast source of supply of food to the population as now existing in South Australia. The proportion is more than sufficient to satisfy the Government that it is not likely at any time to be destitute of food. As to flour, I find the proportion of grain in England is as one quarter to one person per annum; it is not very far short of that now in South Australia.

1778. *Chairman.*] You speak of grain grown in the colony?—The last account of November the 27th, leads us to calculate (the harvest was then getting in) upon 90,000 bushels; and taking 30,000 bushels from that for seed for the next year, which will be sufficient for 10,000 acres, there remain about 60,000 bushels for the population, which is nearly one half the proportion allowed for the supply of Great Britain, in the ratio of the population.

1779. You have received this information since your former evidence?—I received it only yesterday. Then with reference to the amount of production per acre, and the weight of grain in South Australia, the wheat I perceive, upon the average, has produced 40 bushels per acre; in England the very lowest land produces from 10 to 12 bushels per acre, but the best land produces from 48 to 60 bushels per acre; therefore if we grow 40 bushels per acre in South Australia, it is

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a very fair proportion. The weight of a bushel of wheat in South Australia is 66 lbs.; the average of the best in England is 58 ½ lbs., consequently wheat in the colony is superior in weight to that of England. I find that barley is produced at the rate of 60 bushels an acre in South Australia. In England the average is about 40 bushels an acre; sometimes it has amounted to 64. I think these facts will show that there is a capability of production of grain in South Australia which has never yet been expected; that it is in fact a grain country. I am confident, from the various reports I have had (I do not mean to say that the whole of it is so, but that there are various portions of the country admirably adapted to all kinds of grain); that next year it will be able to grow the whole of its grain; and after that it will be an exporting country, unless the inhabitants find that they can apply their capital in a more profitable way. I think the sheep farming is more profitable than the production of grain; and after grain shall be reduced in price it is probable that there will be less produced, and that the colonists will chiefly attend to the cultivation of sheep. I have some very accurate information of a flock of sheep in the colony, of 4,150; and the report of the manager of this farm, in a letter dated in June last, says, "Our number is about 2,550 ewes and rams, and 1,600 lambs. We hope to obtain at least 90 per cent. from the whole of our breeding stock." I take this opportunity of remarking, that the calculation I made in my estimate of the produce of the colony, of sheep, was only 33 per cent. "The sheep are thriving far beyond my expectations; the lambs growing faster than any I ever saw in England. Flaxman's Valley is, without exception, the best sheep run in South Australia, both for the goodness of its pasture, and the soundness of the land for the feet of the sheep, the last being a most important consideration in this colony. I do not think sheep will be ever affected with the foot rot in Flaxman's Valley." I state that as a very important fact, coming from a gentleman on whose veracity I can fully rely. He says, further, that the sheep farming, he thinks, is the most profitable thing to which colonists can turn their attention. There are in the colony now about 180,000 sheep; and, by accounts received yesterday, I find that three ships, of more than 300 tons each, are laid on in Adelaide, to sail on the 1st of January last, to bring home wool and oil. The produce of wool will be about 2,000 bales; last year it was about 800 bales. These facts fully bear me out in speaking of the present prosperity of the colony, and of the great resources which the colony possesses for meeting any loans which the Government may think proper to make. I could go further into particulars, if time would admit.

1780–90. Mr. *Wood.*] You stated that you thought that this labour which had gone out to the colony was out of proportion, and in excess of the capital which had been supplied to it?—I did so for this reason, that a large proportion of the capital, though it will turn to a good result in the end, has been from necessity injudiciously applied; I allude to the amount of capital employed in building.

1791. Lord *Mahon.*] Why do you say from necessity?—Because the settlers would not have embarked so much capital in building if they had not been placed under very peculiar circumstances. Those circumstances which I beg leave to explain, will lead to a conviction in the mind of the Committee, that the settlers at the beginning were placed in a very disadvantageous position, and considering that, they exerted themselves most astonishingly. The colony was started in December 1836. The first detachment was landed at Kangaroo Island; there were no surveyors in the colony when it arrived; there was no governor, and no one to govern or protect them, for several months afterwards.

1792. *Chairman.*] Were they sent out by the commissioners or by the company?—They were sent out by the company; previously to their departure I applied to the Government for permission for one individual to exercise magisterial authority, that there might be something like government, but that was not granted, and they were obliged to govern themselves till the governor arrived. Early in 1837 the settlers removed from Kangaroo Island to Adelaide, consequently their first expenditure was comparatively useless; they had to begin again, and to settle a second new colony.

1793. What induced the company to send out a body of settlers before the commissioners had made any arrangements for their reception?—The circumstances which induced the company to do so were these. When it was resolved to establish a company, because it was found impossible to carry the Act of Parliament into operation without one, it immediately commenced operations, fully believing that the commissioners would have their vessels and detachments out at least two or three months before them. The company, however, soon had their ships ready for

for sea, and they were obliged to let them go when they were ready; on that account it was that they arrived out first in the colony; but, as that was anticipated, they obtained permission from the commissioners to settle down upon a certain portion of the land in Kangaroo Island, and to make improvements there, by which they were enabled to employ their emigrants, with the understanding that they were to possess a portion of the soil on which they landed, a certain extent having been agreed upon beyond the limits of their erections. Finding, however; after the governor and surveyors arrived, that there was a much better country for settlement on the main land, they of course removed, but they suffered all the disadvantages of the loss of removal from this first settlement. They proceeded to Adelaide early in 1837, and the town lands were not selected for some time after that period, consequently, the settlers were obliged to support themselves without any productive return; they had no means of applying their labour, not having the land in their possession. The land in the town was at last appropriated, but even then they had no means of employing the people except in erecting houses. They built houses for their own accommodation in the first instance, and they would have stopped there, if the country lands had been allotted to them; but they remained in Adelaide from early in 1837 till May 1838 before they obtained their country lands; during that long interval they had no other means of employing their labourers except in the erection of houses, which, as it afterwards turned out, were very convenient and useful for the emigrants who followed them; still it was an investment of capital upon a scale which they never contemplated, and never would have adopted, if it had not been for this adventitious circumstance. In May 1838 the country lands were allotted; and in the following December there were no less than 80 acres in one section, and I believe, altogether, about 150 acres planted; they reaped the harvest in December 1838, which shows that they had immediately settled themselves upon the country lands. In the next year, 1839, there were 400 acres planted. In the succeeding year, 1840, there were 2,000 acres. Now, the Committee will perceive how regular the progress has been; they first of all landed at Kangaroo Island and made establishments there; they were obliged to remove to Adelaide and built a town there; two years elapsed before they were able to obtain the first country land. The moment they obtained the first country land they began to cultivate it, and since that time the progress of cultivation has been such as has had perhaps no parallel in the history of colonization.

1794. Do you mean that too much labour has found its way to the colony altogether, or only that the emigrants were sent out without any preparation for their reception, and consequently, that they were there for a considerable time without useful occupation?—I think they were sent out too rapidly; I do not think that too much labour has been sent out; but I think it would have been well if some longer space had elapsed between the shipments.

1795. Mr. *Wood.*] If labour be in excess, is not that circumstance tested by a low rate of wages?—No, I apprehend not; I suppose an error exists in the minds of most people upon that question; the rapid introduction of ship after ship into a new colony has a tendency to increase the price of labour; because, every ship that goes out carrying 200 emigrants, at once puts in requisition labour to build at least 50 houses, and causes a demand for a certain amount of provisions beyond the regular consumption.

1796. When you say that labour is in excess, you mean labour employed in a particular way; that is, agricultural labour?—I have not said that labour is in excess; I think that labour has been too quickly sent out, and that it was in excess at a certain point of time, before the people got settled in their locations; the stoppage of labour which has now taken place for a few months will be, in my opinion, greatly to the advantage of the colony, because it will enable them to get ahead of their provisions, and afford time for them to settle down in various localities; for there are a great number of settlements in the colony besides Adelaide. There are country towns and seaports; some of the people have gone to those parts, and consequently have reduced the amount of supply of labour in the country near the city, and have by that means neutralized the effect which I considered to be an evil.

1797. You were understood to say that the large amount of labour employed upon the government works had the effect of raising wages?—I naturally suppose so.

1798. Would not that high rate of wages give an appearance of prosperity to the colony which was fictitious, and not likely to be permanent?—Let us see

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whether it will be permanent or not: suppose the governor discharged the whole of those 200 men; what will be the effect of that? In the first place, they will apply to the builders for employment; but they will find no demand for labour in building, because there are already sufficient buildings to answer the purposes of the colony. Then they will look out for other kinds of employment, such as the cultivation of lands, the erection of farmhouses, draining, making of roads and other things; therefore I conceive they will fall into that vacuum; and inasmuch as no further supply of labour is likely to come into the colony from England during this interval, they will be an excellent substitute for the time being; I believe that will be the operation of it.

1799. Then you consider the suspension of emigration which has taken place to be beneficial, not detrimental, to the permanent interests of the colony?—I believe it will be beneficial for a time, but it has its limits; I think that more labour will be required afterwards; I have not myself felt any regret that the emigration has been suspended hitherto; but I should feel it if the amount due to the Emigration Fund should not be restored to it, because it would be an act of injustice to those who have purchased land; and very soon they will require a further supply of labour, as the colony is advancing so rapidly.

1800. Do you think the high rate of wages for artizans and mechanics, established by the employment afforded by the governor's expenditure, likely to be permanent?—I do not think the rate of wages has been too high, because the price of provisions has been equally so; I do not expect it to be permanent, as the price of provisions will fall greatly; as the amount of stock increases, it must reduce the price of butcher's meat; and as the quantity of corn grown in the colony increases, it will reduce the price of flour; but let it be remembered, that two years ago there was a dreadful drought in the country, which made provisions very dear in all the colonies. My belief is, that the rate of wages must fall considerably, but that provisions will fall in a much greater proportion.

1801. Sir *William Molesworth*.] You said that you thought the sums due to the Emigration Fund should be repaid; do you think they ought to be immediately repaid, or would any disadvantage accrue from delay?—I do not think any disadvantage would accrue from the delay of a few months; but a delay of more than six months from the departure of the last ship ought not to take place. Probably accounts may arrive from the colony intimating that there is a greater demand for labour than I at present anticipate; in that case it would be necessary to send more emigrants out immediately, and the Emigration Fund would be required forthwith for that purpose.

1802. You think that no disadvantage would accrue from no emigration being carried on this spring to Australia, which would be the case if the sums due to the Emigration Fund were not restored?—I cannot answer that, unless I had positive and recent information from the colony as to the effect of the withdrawment of the labourers from the government works.

1803. Mr. *Wood*.] Supposing the Land Fund had not been misapplied, and emigration stopped in consequence, do you think that if emigration had gone on as it ought to have done, according to the constitution of the colony, emigration would have gone on to an extent which would have been disadvantageous?—I cannot answer that question, unless I could know what would be the amount of land purchased in the colony.

1804. Lord *Mahon*.] Are the Committee to understand that in your view there is a defect in the original constitution of the colony as to the amount of funds required to be applied for emigration?—I do not think there has been a mistake in the original constitution of the colony in that point of view; it was one of the duties of the commissioners to regulate and proportion the price of lands, and also the application of the Emigration Fund, as circumstances required it. I have stated, in my evidence before, that I thought one-fourth of the Emigration Fund ought to be applied to the construction of roads and bridges; consequently it may be inferred from that that I supposed the Emigration Fund, if applied solely to emigration, was too large.

1805. Mr. *Wood*.] You do not think there is the same necessity to make provision now for the repayment of that money, which has been transferred from the one fund to the other, which there is to provide for the mercantile engagements of the commissioners which are lying over?—I think both ought to be provided for.

1806. You do not think there is the same urgency?—I do not think there is the

the same urgency; but I think it would be improper not to have the money repaid to the Emigration Fund, because the land was bought upon that understanding.

1807. In the statement you delivered in, regarding the affairs of the bank, it appears that the bank has outstanding among its liabilities, notes bearing interest to the amount of 17,531 *l.*, and bills not bearing interest to the amount of 5,603 *l.*; what is the distinction between notes and bills?—I conceive those probably are drafts upon the other colonies. There are frequently drafts given upon the neighbouring colonies by the bank. This statement was made out by our manager, and I have not a perfect knowledge of the particulars of the items, but I conceive that to be the case.

1808. When you say "bills in circulation," are the Committee to understand that they are bills of exchange drawn upon other colonies?—I conceive so.

1809. The other sum of 17,531 *l.*, called "notes in circulation not bearing interest," consists of promissory notes payable upon demand?—Yes.

1810. You gave a third head in the liabilities, of "bills and notes in circulation, bearing interest," which you said was nil. Is the bank in the habit at any time of issuing bills bearing interest, which would make them in the character of post notes?—No; that item is put in because it is the form of return required by the charter of the Australian Bank; we have nothing of the kind.

1811. Your bank is not in the habit of issuing post notes bearing interest from the day of issue till paid?—No.

1812. Will you turn to the assets. The stock of gold, silver, and other metals in hand, is stated to be 13,937 *l.*; do you apprehend that that is about the usual sum held in deposit, to meet the engagements of the bank?—No; we have had as much as 25,000 *l.* in hand. The specie appears to have been reduced in consequence, I presume, of the large drafts upon England; I think that must have had a considerable tendency to withdraw the specie from the bank.

1813. You consider that balance as below the customary average?—Decidedly below it. We have always kept up what we considered a large proportion of specie; and even now it is large, compared with any bank in this country.

1814. Do you consider any fixed sum as the proper amount of specie to be kept?—Yes, I consider that in the colonies a much larger amount ought to be kept on hand than in England. I do not know what the Bank of England keeps; but I believe it is about a sixth. In a distant colony it should be about a half; but still more than that is requisite, because they cannot have access to immediate supplies from this country.

1815. Do you receive quarterly accounts similar to those you have given of the position of the bank?—No; our returns from the colony are in a different shape from this.

1816. This return is not furnished from the colony, but it is made up here?—It is furnished here.

1817. How low do you think the stock of gold and other metals has ever been at any time?—I do not think it has ever been so low as this before.

1818. The last item of assets, which you call "debts due to the bank, including notes, bills, &c." amounts to 208,879 *l.*; can you furnish the Committee with any classification of that sum?—I cannot, from recollection. It consists of bills under discount; doubtless a portion of the amount is advanced upon the joint promissory notes of individuals and securities lodged on that account.

1819. What species of securities?—I suppose titles to property, and also the names of men of wealth in the colony.

1820. Do you mean advanced on open account, but secured by the deposit of some landed security?—Yes. I believe some advances have been made in this way; gentlemen of well-known property, who have gone out to the colony, have been under the necessity of purchasing stock, and have applied their ready money to that purpose; they would of necessity require a little assistance for the current operations and improvements of their lands or their houses; and in that way advances have been made, upon their lodging securities.

1821. What species of securities?—In that case it would be promissory notes.

1822. Would not such advances come under the head of advances on notes or bills of exchange?—That classification might be made, but it was considered that as this was the usual form of making the returns to government in all the colonies, we should adopt that form. I am satisfied that the amount of this item is not in greater proportion than it is in all other banks.

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1823. Have you the means of stating how much arises from the discount of commercial bills, how much from the discount of promissory notes payable at stated periods, and how much from uncovered advances?—I have not.

1824. Do you conceive that any part of it consists of advances upon land purchased?—I cannot say; it is impossible. I know that the directors laid down this rule, that no advances should be made to individuals upon landed security beyond one-half the amount of the original price paid for the land to the government; that is to say, if the land cost 20 *s.* an acre they might go to the extent of one-half of it; the improvements made upon the land would be an increased security.

1825. Then you have recognized the principle of making advances upon landed security?—We have, as a commercial company; I believe it is admitted in all charters of land companies, that they shall be empowered to make loans upon landed securities.

1826. When you say "as a commercial company," you mean that you applied that rule to the branch of the company constituted by the bank?—The bank would naturally advance the money in such a case.

1827. Then it is the practice of your bank to make advances upon land security?—It has been done occasionally; it is not a general practice. But I beg to remark that that is one of the objections which we feel attaches to our bank as it is now constituted, and it is a reason why the Board of directors of the South Australian Company intend to alter the whole constitution of the bank, by separating the bank entirely from the land company, and to have it conducted by a separate Board of directors. In that case it would not be the custom of the bank to advance money upon land securities. They do not approve of the principle for a bank.

1828. Is it a practice of the bank which has been recognized hitherto by the manager in this country?—I stated that it was the practice of the land company, of the commercial part of the company; and the banks consequently would make the advance upon the recommendation of the Board of directors. We have two managers in the colony; a commercial manager and a bank manager. Now if the commercial company agreed to advance a sum of money on such a security, the requisition would be of course attended to by the bank manager.

1829. Do you mean that the commercial manager, in his character of commercial manager, would, as a commercial operation, make the funds of the bank applicable to commercial purposes, by making advances upon land security, or that he would recommend to the bank manager to make those advances from the bank as part of the banking business?—I believe the transactions of that nature have been exceedingly few; I merely referred to the fact as a principle which had been recognized by the company. I cannot, therefore, answer every particular upon that point.

1830. What is the mode of managing the bank; is it left to the sole discretion of one individual, a paid agent, or are there directors with whom he consults, who are proprietors themselves in the bank?—The principle hitherto has been for the chief manager of the company to have a voice in the transactions of the bank, and the directors have ordered the appointment of a local board in the colony, of the formation of which we have not yet any specific information, but that was the course they resolved to pursue. It would have been adopted at the beginning, but in a new colony there must be great difficulty in finding individuals of sufficient respectability and property to appoint to such an office.

1831. But hitherto the sole management of the bank has been with the agent?—With the two agents.

1832. The commercial agent has assisted the bank agent in the management of the bank?—Yes; the one is a check upon the other.

1833. Is either of them subordinate to the other?—No, they are independent in one sense, and there is a certain check; we were obliged to adopt that plan till we got a local board appointed in the colony.

1834. You state that the banks issue promissory notes as low as 10 *s.* each; do you consider notes of that small amount necessary for the convenience of the population?—We did so at first; I do not think many of them are in circulation at this time; we thought them necessary at first, because the colonists did not like to carry specie about them, and I believe most of our coin remains in the bank; very little of it is in circulation; the notes are generally preferred.

1835. Do the other banks issue notes as low as 10 *s.*?—I am not able to say. I do not think our company will issue any more of that description. It

was done for the convenience of the colony; in the first instance, it was an experiment.

1836. How many banks are there that issue small notes in Adelaide?—There were three, including the company's.

1837. Have they any fixed rule for exchanging notes with each other at stated times?—I do not know the practice in that respect. It does not appear likely that many notes will be exchanged in a colony of that limited extent.

1838. They would be re-issued, you apprehend?—I think it is likely.

1839. In the commencement of your evidence to-day, in explaining your banking operations, you informed the Committee that in deciding what bills should be discounted, the agent carefully threw out all bills that had any appearance of being accommodation bills, or that were drawn for land; that answer must be understood as qualified by what you have now stated as to the practice of occasionally making advances upon land security?—It does not follow that advances made on land security were met by promissory notes or bills of exchange, they might be simple advances; but I suppose it likely that advances might be made in that way. I have no specific information as to what amount was advanced as loans on landed property. I alluded particularly to the principle having been recognized by the company at the beginning of the bank; but I have no return of the amount; it is included in this, no doubt; for it says, "notes, bills, &c." therefore it may include those loans.

1840. Will you explain to the Committee what you meant when you said that in deciding upon what bills should be discounted, the agent carefully threw out all bills drawn for land?—Two individuals may have had transactions together, and those transactions may have arisen out of the sale or purchase of land. Now in such a case, if the manager were aware of that fact, he would not encourage anything like speculation in land. I conceive that remark of his (for it was a quotation from his own letter) means, that he discourages anything like land speculation; that he has not lent himself to anything of the kind.

1841. He would throw out any bills that he conceived arose out of land speculation?—Yes.

1842. Then your other answer applies to *bonâ fide* purchases of land for cultivation, with reference to which you have occasionally made advances?—Yes, there have been advances made to farmers to a small extent; it is a principle recognized by the company, that if a farmer takes a long lease of a farm, and has a portion of capital, say 200 *l.*, the company in that case would lend him 200 *l.* more to assist him in stocking and improving his farm: of course the improvements upon his farm would be a security for the repayment of the money.

1843. Do you think three joint stock banks are necessary for the healthy and requisite accommodation of a town of the size of Adelaide?—I should state, that one of the banks is what I should call ephemeral; it has not commenced business at all, and is not of good character; an attempt was made to form a bank, but it very soon lost the confidence of the public; it does not, I believe, now exist; the other bank is very respectable, but it does not do much business. It is unquestionable that the South Australian Company's bank has the confidence of the public, as it has been in existence ever since the foundation of the colony; the other has been very recently established, I believe not more than 12 months. As to the question whether three banks are too many for the transaction of the business, I do not think that there are too many for the existing business of the colony; if we succeed in separating our bank from our company, and the bank should be enlarged to the extent of three times the amount of capital now employed, it will be very legitimately and profitably employed. I agree with Colonel Gawler, in saying that more capital is required in the colony for the improvement of those undertakings which have been properly and judiciously established.

1844. Are you contemplating putting your bank upon a footing which will separate it from the commercial company, and give it an independent basis?—Yes.

1845. Do you contemplate making it a chartered bank?—We intend to apply to Government for a charter; and we will submit to such conditions as the Board and the Government may think reasonable.

1846. Lord *Howick*.] Can you inform the Committee by what rules the amount of your paper issues is determined in the colony?—I cannot say; I suppose it will much depend on circumstances; I think the manager would never issue a greater

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amount of notes than twice the value of his specie; that is the principle he would regulate his conduct by.

1847. Has he instructions to that effect from the company?—No; because he is already fully impressed with the importance of it, and has expressed his conviction of its necessity in all his communications. We have no need to instruct him upon that point, for he has been extremely careful to keep a large amount of specie on hand; the directors in London send out, in almost every vessel that proceeds to Adelaide, additional supplies of specie.

1848. If, in consequence of the dishonour of the governor's bills, a rapid efflux of bullion from the colony was to take place, would your manager think it his duty to contract his circulation?—He would either contract his circulation, or import bullion from the neighbouring colonies.

1849. You conceive that his instructions are so precise as to obviate any danger of the circulation becoming excessive?—We are quite sure of that, because he has already acted upon that principle; he has imported specie from the neighbouring colonies, in order to replace what has been drawn out of the bank.

1850. Mr. *Vernon Smith.*] Is your circulation confined to South Australia entirely?—Entirely.

1851. Mr. *Hope.*] With reference to the statement you gave of the comparative number of cattle in the colony, to the population, as compared with the number in Great Britain; upon what data do you proceed as to the number of cattle and horses in Great Britain?—I took M'Culloch's Statistical Report, and the last Census of the population in 1831.

1852. Lord *Mahon.*] With reference to the productions and resources of the colony, in an answer you gave on a former day, to question 406, you stated that the Australian Company had imported two ship-loads of timber from New Zealand; do you expect that it will still be necessary to continue large importations of timber?—I conceive it will be necessary to import what is called soft timber, but of other descriptions we have an abundant supply in the colony. The company has encouraged ship-building in the colony, and some small vessels have been built of colonial timber, which answers remarkably well for ship-building; but soft timber, such as is required for the internal purposes of buildings, it will be necessary to import from New Zealand.

1853. Do you suppose that such importation must take place to a large extent?—I think not.

1854. Mr. *Hope.*] You were understood to say that you also imported provisions from New Zealand?—In the earlier stage of the colony.

1855. What species of provision?—Potatoes chiefly.

1856. Do you happen to know whose cultivation they were, whether the cultivation of settlers or of natives?—I have no idea of that, but potatoes are now grown in South Australia to a considerable extent, and they appear to succeed very well.

1857. *Chairman.*] You said that you had received accounts from the colony yesterday, with reference to the harvest; can you give any recent information as to the rate of wages and the prices of provisions?—Not at that date; the last report of the price-current is up to September the 11th. I will mention a few articles of most essential consumption. In the first place there is arrowroot, 1 *s.* 6 *d.* to 2 *s.* a pound; fresh beef, 9 *d.*; veal, 1 *s.*; mutton, 7 *d.*; salt beef, 6 *l.* per tierce,—it has been as high as 10 guineas; fresh butter, 2 *s.* per pound, was formerly at 4 *s.* A considerable quantity of butter is now supplied by the colonists themselves, which has reduced the price; salt butter, at 1 *s.* 3 *d.* to 1 *s.* 6 *d.* per lb.; flour, per ton, 42 *l.* to 45 *l.*,—it had been as high as 80 *l.*; loose hay, 9 *l.* to 10 *l.* per ton; some of the grass lands of the colony are let at 10 *s.* per acre for one season's produce of hay; I believe they produced as much as 3 *l.* per acre, which is a very large amount; raisins, per pound, 9 *d.* to 1 *s.*; rice, 16 *s.* to 18 *s.* per cwt., being about the price in England; Mauritius sugar, 28 *l.* to 30 *l.* per ton,—about 3 *d.* a pound; sugar of East India production, 30 *l.* to 40 *l.* per ton; China tea, black, 12 *l.* per chest, retailed at 3 *s.* to 4 *s.* a pound; hyson tea, 10 guineas to 11 guineas per chest. These are the principal articles; generally there has been a considerable fall in the price of provisions.

1858. Lord *Mahon.*] Has the fall you mention been in all the articles of provisions, or only in some?—In every article of provisions, without exception; and I may state that vegetables have been most abundantly supplied; fish also. The company

company sent out fishing establishments the first year of the colony, and Adelaide is now daily and abundantly supplied with good fish.

1859. Mr. *Gladstone.*] Are any of those articles subject to import duties?—I think not; spirits are subject to import duties.

1860. *Chairman.*] Has there been a correspondent reduction in the rate of wages?—Not any. I conceive the rate of wages must be reduced when the governor discharges the men he is now employing on public works.

1861. Because there will be a supply thrown upon the market?—Yes; the rate of wages will admit of reduction, in consequence of the reduced price of provisions.

1862. Then do you believe that the rate of wages would have been reduced by this time, if emigration had continued?—No, I do not apprehend that; I think it would rather have increased.

1863. You were understood to say, that the 200 men now employed upon the government works being thrown upon the market will, in your opinion, occasion a considerable reduction in the rate of wages?—I think so.

1864. Do not you think the same effect would have been produced by two or three ships arriving with several hundreds of emigrants?—I have already explained that by stating, that there would in that case be an increased demand for provisions and labour to provide for the accommodation of those emigrants.

1865. You said that in one of the four years since the existence of the colony there had been a very severe drought, when was that?—That was in May 1839.

1866. Is not it reasonable to expect that the colony will be subject to those droughts which are frequent in New South Wales?—No. I have some important information in relation to that fact. The rate of provisions in South Australia at that time was exceedingly high in consequence of having to import from the other colonies; but the drought was very little felt in South Australia. I have a letter from the geologist, Mr. Menge, who, in May 1839, explored the Barossa Range, and he states that there was a most abundant supply of water at that time, and the pastures very green; the flocks which were afterwards turned out upon it had improved during the interval of six months, and the pastures had improved also, notwithstanding the sheep were feeding upon them.

1867. Then you meant to attribute the high price of provisions at that time to the drought in the neighbouring colonies from which they imported their provisions, not to the effect of drought in the colony itself?—Yes. It is a remarkable circumstance that grain in Sydney has always been higher than in South Australia. Flour would not have been so dear, but for the disapproval of the colonists of the importation of provisions by the South Australian Company; the Germans were living upon food at about one-third the price paid by the other colonists, in consequence of having imported their own food from Hamburgh. The company would have continued their exportations of provisions to the colony had it not been for the opposition of the colonists against their trading; and in consequence the price of provisions rose amazingly high when the drought occurred in the neighbouring colonies.

1868. You spoke of a tract of land between the Gulf and the Murray, which Colonel Gawler thought was capable of receiving about 100,000 inhabitants; is that land actually sold?—A portion of it is sold; those parts marked in red in the map are all sold.

1869. Lord *Howick.*] All the water frontage appears to be sold?—They would naturally select the water frontage in the first instance.

1870. *Chairman.*] What is the tract of country which Colonel Gawler thinks is capable of holding 100,000 inhabitants?—I think about 40 or 50 miles in extent; the river Murray was navigated by Captain Sturt in boats, from the top to the bottom.

1871. Can you state what proportion of that country has actually been sold?—I cannot, exactly.

1872. Do you think that the best land has been disposed of?—No; a large portion of the good land has been sold, but I am informed that much excellent land remains for sale; as a proof of that, a friend of mine received, from August to October last, 7,000 *l.* from Sydney to invest in the purchase of land, and he preferred purchasing small blocks of 80 acres on sale.

1873. What is the general nature of the accounts you received yesterday from the colony?—Very favourable indeed.

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1874. Have you any specific information from the colony of that date, beyond what you have already given to the Committee, with reference to the harvest, and the pursuits of the people there?—Nothing in addition.

1875. How were those Germans sent out; were they sent out at the expense of the Emigration Fund?—The Germans were proposed to be sent out in the first instance by the South Australian Company. The South Australian Company engaged to employ them for three years at a certain rate of wages, and to advance money for their passage out. They had embarked in vessels in Silesia to proceed to Hamburgh for the purpose of fulfilling their engagement, but the King of Prussia thought proper to stop them, and required them to disembark. Two years elapsed after that before they received their final permission to depart. After they had obtained their passports I had intelligence of their arrival at Hamburgh, and applied to the South Australian Company to fulfil their engagement with them. The company very naturally replied that they had in the interim engaged other labourers, and consequently were under no obligation to carry out the previous arrangements; that being so, the responsibility fell entirely upon myself individually. I had stated to Pastor Kavel, their minister, that they should not perish for want of assistance, and therefore I was under the necessity of advancing the means.

1876. They were not sent out at the expense of the Emigration Fund?—Not at all; nor yet by the company. I have been happy to receive very gratifying reports from Colonel Gawler respecting them, and from other settlers.

1877. You stated that you had corresponded with Colonel Gawler upon the moral condition of the colony; what is the general account which he gives of the colony in that respect?—He says that "the religious and moral condition of the colony is good; for a new colony, very good. The only serious evil in it is in our convict refugees from the neighbouring colonies."

1878. Does he state the number of convict refugees?—He does not; but he states in another part of the letter, that it would require a police force of 1,000 men to keep them entirely out; that he felt it more advisable to suffer them to come in, and to avail himself of any immoral action which they might commit, in order to have them expatriated. He says, "Your Germans behave very well; they are religious, moral, loyal, and industrious. I should be delighted to see 100,000 of such between the Gulfs and the Murray. Pastor Kavel is an upright, excellent, and amiable man." They were all brought up to arms, and have formed a sort of cordon in the outer parts of the colony; I believe they may be made instrumental in preventing the ingress of the convicts.

1879. Mr. *Gladstone.*] From what part of Germany did they come?—They came from Silesia. There are 600 of them.

1880. Have they repaid any portion of the expense of their passage out?—I have found it necessary to advance considerable sums of money to establish them in their locations, in addition to the passage-money; for of course when they emigrated they could not be deserted, and the governor could do nothing for them. I advised them first of all to throw their labour upon the labour-market when they arrived in the colony; but the settlers, not understanding their language, did not like to employ them, and therefore I was forced to establish them myself. They are doing remarkably well, and are accumulating property. Captain Grey told me that he had visited their locations; that they were an admirable body of people, and were prospering greatly.

1881. Were they free to make their own engagements?—Entirely.

1882. Mr. *Wood.*] Are they bound to repay you your advances on their behalf?—There is an obligation on their part to do it, when they are able; and I have no doubt they will do it, and pay interest. I offered to lend them the money at 5*l.* per cent. interest, and I have no doubt they will pay every shilling of it.

1883. *Chairman.*] How many of their ministers went with them?—There was one chief minister went with them; but there are four others who have gone out as missionaries to the aborigines, and have settled there with the view of bringing themselves immediately in contact with the aborigines, and promoting their civilization, as well as christianization. I have some interesting information from those missionaries, which I should be happy to lay before the Committee.

1884. Is there anything further that you wish to state to the Committee?—I beg to state, in reference to the capabilities of the province, and the want of capital, that Colonel Gawler says, "The capabilities of the province, I assure you, in full sincerity, are immense, but capital must come to bring them into effect."

I beg

I beg leave also to read a passage in a letter I have received from the manager of the company with respect to the amount of shares held by the South Australian Company's directors. I think it important to state that, because some impressions are said to exist out of doors of the speculative character of the directors: "Out of the 93 proprietors of which the company was originally composed, and who held its first 8,000 shares (in 4,000 of 50 *l.* each), about 50 yet remain," which shows that a large transition has not taken place. "Their first amount of shares was about 1,700; their present interest is about 7,120 shares." The Board of Directors, 10 in number, held in the first instance, when the company was formed, 3,848 shares. Those gentlemen have purchased from private parties, or taken from additional issues, 2,327, making 6,175; sold or transferred to other names, 1,429, leaving at present 4,746 shares in the hands of the directors, consequently they hold nearly one-fourth of the whole capital of the company. I may be permitted further to state, that those gentlemen were selected for their practical knowledge of business, for their high respectability and sound judgment; they have bestowed great labour and attention in conducting the affairs of the company, not merely with respect to the interests of the shareholders, but in the advancement of the prosperity of the colony. I would also state, that the proprietors have received a dividend of four per cent. per annum up to June 1840. For the last year they have received six per cent.

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1885. Mr. *Wood.*] Upon net bonâ fide profits?—Upon net bonâ fide profits. With the permission of the Committee, I should be happy to put in a report of the school society at Adelaide, and to read the second and third heads of the plan, stating the principle upon which the schools have been established.

[*The same were read, as follows:*]

II. The sole object of this society shall be to establish and conduct infant British and labour schools in the colony of South Australia, and to render their influence subservient to the advancement of true religion, the promotion of civilization, and the general welfare of the inhabitants of that colony.

III. These objects the society shall endeavour to attain by the following means:

1st. To commence with infant schools on the English plan for children, until they reach the age of eight years.

2d. Schools on the British system, combining with it a small unoppressive portion of bodily labour until they reach the age of 12 years.

3d. Schools on Dr. Fellenberg's plan for instructing the youth in agricultural and other trades, combined with the higher branches of education, until they reach 16 years of age.

4th. The adoption of a plan for introducing the youth after 16 years of age into suitable employments in the colony, as regularly indentured apprentices for five years; with a scheme for publicly rewarding their industry and good conduct. The whole of the schools to be conducted on the soundest principles of moral and religious education.

1886. Lord *Eliot.*] Are you able to give the Committee any information as to the actual condition and prospects of the aborigines?—I shall be very happy to do so at a future day. It is a very important and difficult question. I have some information upon it, and shall furnish the Committee with the best opinion I can form upon the subject.

Colonel Torrens, further Examined; and Mr. *John Gliddon*, called in; and Examined.

1887. *Chairman*, to Colonel *Torrens.*] WHAT was the name of the gentleman who acted as secretary to the late commission at the time when your letter to Lord John Russell of the 9th of December 1839 was written?—Mr. John Gliddon, the gentleman who is now present; and I beg to state to the Committee that several members of the Board having frequently, from the first, when the question was mooted by Lord Glenelg, been desirous of having some remuneration, when the colony became so flourishing towards the latter end of 1839 they renewed their desire for this, and I was requested to make some inquiry as to the best mode of proceeding with the Colonial Office. After some inquiry, I, at a Board held upon the 29th of November, stated that from what I could learn I believed the better way would be for them not to make a direct official application for remuneration, but rather to ask for an interview with Lord John Russell, and to state verbally to him what their wishes were. After I made this statement upon the 29th of November, the

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Board came to a resolution, directing that a communication should be made to the Colonial Office, requesting that Lord John Russell would favour them with an interview, with a view to their receiving remuneration for their services. At a subsequent meeting on that day week, the 6th of December, the minutes of the former Board were read and confirmed, and a resolution again directing the communication to be made to the Colonial Office was adopted, and I wrote the letter accordingly. On the 3d of January Lord John Russell's answer was communicated to the Board, and by the direction of the Board a special Board was called for that day week, for the purpose of considering whether any and what answer should be given to Lord John Russell's communication. On the 8th of January accordingly this special Board was held, and at this special Board there attended the whole nine members, with the exception of Mr. Hutt, who was then in the country. Mr. Mackinnon, Mr. Mills, and Mr. Palmer were present, with all the others. At a previous Board of the 3d of January, Mr. Montefiore, with the concurrence of the other members of the commission, had undertaken to prepare an answer to Lord John Russell, and on the 8th a draft of a letter was read by Mr. Montefiore. It was read paragraph by paragraph, corrected paragraph by paragraph, and, with the alterations, it was adopted. This letter expressly recognizes my former letter of the 9th of December as the letter of the commissioners; and the secretary, who has had the charge of these books from that time to the present, has the books now here to produce before the Committee, to corroborate all that I have said.

1888. Was that letter sent to Lord John Russell?—That letter was sent to Lord John Russell; the draft of the letter in Mr. Montefiore's handwriting is here; a copy of the letter taken from that draft is in that book, so that the two may be compared together.

1889. (To Mr. *Gliddon.*) Will you read the minute of the 29th of November?—"November the 29th. The chairman having stated the result of an inquiry he had made at the Colonial Office, with reference to the subject of the renewal of the application made in the year 1837, for remuneration to the commissioners; Resolved, That copies of the letter to Sir George Grey, dated 21st February 1837, and of his reply, dated 28th February 1837, be forwarded to Lord John Russell, with a request for an interview upon the subject therein referred to."

1890. Who are stated to be present upon that occasion?—At this Board, Colonel Torrens in the chair, Mr. Barnard, Mr. Mills, Mr. Montefiore, Mr. Palmer, Mr. Pennington, and Mr. Roberts.

1891. Captain *A'Court.*] Were those minutes read to those gentlemen?—The minutes were read at the following Board, the 6th of December, and signed.

1892. *Chairman.*] Who were present at that Board?—Colonel Torrens in the chair, Mr. Barnard, Mr. Mills, Mr. Montefiore, Mr. Palmer, Mr. Pennington, and Mr. Roberts. The minute on the 6th of December is this: "The question of the renewal of the application for remunerating the commissioners was again discussed, and the decision come to at the last Board (1124 minute) was confirmed, except that it was resolved, that a copy of Mr. Stephen's letter of the 23d August 1837, be substituted for the copy of Sir George Grey's letter of the 28th February 1837, therein directed to be transmitted." On January the 3d, there were present, Colonel Torrens in the chair, Mr. Barnard, Mr. Mills, Mr. Montefiore, Mr. Pennington, and Mr. Roberts. The minute is this: "No. 6,569 (Lord John Russell), communicating the intention of the Government to supersede the present commission, and to establish a Colonial Land and Emigration Board, applicable to all the British colonies, into which the duties appertaining to the present commission will be merged. Referred to a special Board to be appointed for Wednesday next, at one o'clock, to consider whether any and what reply should be sent hereto." "January 8th. At a special Board held this day, at one o'clock; Present, Colonel Torrens in the chair, Mr. Barnard, Mr. Mills, Mr. Mackinnon, Mr. Montefiore, Mr. Palmer, Mr. Pennington, and Mr. Roberts. The question referred to this Board by the 8th minute, as to whether any and what reply should be sent to Lord John Russell's letter of the 23d December (No. 6,569), having been considered, and No. 91 (Mr. Hutt), stating his opinion of the course to be pursued having been read, a draft of a reply (No. 22) was read, altered, and adopted, and ordered to be signed by the acting secretary."

1893. Mr. *Hope.*] Have you the draft of the letter here?—This is the draft, as prepared by Mr. Montefiore and altered at the Board (*producing the same*); that is the answer to Lord John Russell's letter.

1894. Was this the letter that was sent?—No; that is the draft submitted to the Board.

1895–6. Was any letter ever sent?—Yes. (Colonel *Torrens*.) I wish to call the attention of the Committee to one part of the draft; it contains these words, "our letter," referring to my letter of the 9th.

1897. *Chairman*.] You mean that it contains a recognition, on the part of the writer of the letter, that the letter of the 9th of November was written by and with the concurrence of the Board?—Yes, Mr. Montefiore called it "our letter."

1898. Mr. *Hope*, to Mr. *Gliddon*.] What is the course of proceeding at the Board; were the minutes written in draft during the meeting of Board?—The draft was made and was copied fair before it was submitted to the Board, and the fair minutes submitted to the Board and read against the draft at the next meeting, and then signed by the chairman, by order of the Board. (Colonel *Torrens*.) At every Board the first thing done was to read the minutes of the preceding Board and to confirm them.

1899. *Chairman*.] Have you got the final letter sent by the commissioners to Lord John Russell?—I have.

1900. Will you deliver in a copy of it?—

[*The Witness delivered in the same, which is as follows:*]—

South Australian Colonization Office,
Adelphi Terrace, 8 January 1840.

My Lord,

The Colonization Commissioners for South Australia beg to acknowledge the receipt of your Lordship's communication of the 23d ultimo, wherein they are informed of the intention of Her Majesty's Government to revoke the commission under which they are now acting, and to renew it in favour of three members of a Colonial Land and Emigration Board, in whom will be united the duties hitherto performed by the Colonization Commissioners.

On these grounds your Lordship declines the interview requested in the chairman's letter of the 9th ultimo, and you are pleased to observe that it would be unnecessary to express any opinion as to the expediency of maintaining a body of nine salaried Commissioners for the management of emigration to the single colony of South Australia.

With reference to this observation, the Commissioners beg to call to your Lordship's notice the letter addressed to them by Lord Glenelg of the 23d August 1837, wherein his Lordship, after admitting the principle of remuneration to the chairman to the extent of 600*l.* per annum, desired their consideration as to what remuneration should be extended to the other members of the Board, in order to secure the constant attendance of such a quorum of the other members as would prevent the whole authority of the commission from falling into the hands of the chairman.

After a gratuitous performance of laborious and responsible duties for five years, and having by their credit and position been mainly instrumental in founding the colony of South Australia, and bringing it to a state of prosperity unexampled in the annals of colonization, the Commissioners considered themselves fully justified in seeking an interview with your Lordship, in reference more particularly to the correspondence which had passed with Lord Glenelg, and which had for its object the welfare of the colony entrusted to their charge.

It would be irrelevant in this place to offer any comment on the Colonial Land and Emigration Board; but the Commissioners would request your Lordship's most particular attention to the peculiar state of South Australia, (a country of greater extent than the United Kingdom), to the principles upon which it is founded, and to the necessity of carefully carrying out those principles, not only for the sake of South Australia, but as a practice to be adopted, and an example to be followed with other colonies, which are now, or which may be hereafter established.

The motives which influence this communication are the same as those which have guided and governed the proceedings of this Board for the past five years, and which have been attended with beneficial results surpassing the most sanguine expectations.

By order of the Board,

John Gliddon,
Acting Secretary.

To the Right Honourable
Lord John Russell, &c. &c. &c.

Colonel *Torrens*.] With the permission of the Committee, I will put in two forms of account which, if the Committee will direct the accountant of the commission to fill up, will completely show whether or not a loan raised in June 1840 would have saved the colony from this crisis. (*The Witness delivered in the same.*) I also wish to state, that in the evidence of Mr. Elliot, it is stated that I wished to go to the market for a loan in June, and they, on the contrary, thought it necessary to represent their condition to the Government. The obvious meaning of that answer is, that I desired to conceal from the Government the

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financial state of the colony. I distinctly state to the Committee that I was as anxious as either of my colleagues to give a full and entire exposition of the whole financial condition of the colony to the Government. But I said this: The Government can do no more than tell us to raise a loan. Do not wait while we are making up these long accounts, and agreeing upon this representation, and waiting still further to get the decision of the Chancellor of the Exchequer upon it; but let us go to market while the market is in a sound state, and the colony in good credit, and raise this loan, without which we shall be bankrupts. I urged that as strongly as I possibly could, particularly upon one of my colleagues. I said this: "We are incurring great danger; the money market is now safe here; if a crisis comes in the money market, or if misfortune happens in the colony, we shall be unable to get a loan; therefore by waiting we are running two risks, when the result of our waiting can only be the answer of the Chancellor of the Exchequer— Obey the Act of Parliament. Either of the contingencies which I apprehended would have prevented the loan, and would have rendered the colony insolvent. Both these contingencies happened. The money market became embarrassed, and unfavourable accounts came from the colony. But it will be unnecessary to go further into that question, because if the Committee will direct the accountant of the commission to make out the forms which I have now presented to the Committee, the whole thing will be illustrated by figures, and it will not be necessary to cross-examine any of the commissioners as to what the result would have been. It was stated by Mr. Elliot, in answer to question 615, that he did not remember that in the early part of the year any member of the Board had proposed that any measures should be taken to raise a loan. In the first place, I wish to put in a paper from a member of the late Board, Mr. Pennington, which was submitted to the Colonial Office, and was by the direction of Lord John Russell forwarded to the new Board for their consideration. Mr. Pennington is known to be a most able man upon financial matters, and this is a minute upon the finances of the colony, showing why a loan was immediately necessary, and recommending it. *(The Witness delivered in the same.)* Another Paper, which I beg to put in, is a correspondence between myself and Mr. Freshfield in February, March, and May.

Vide Appendix, (Paper, No. 14), pp. 220–224.

1901. Is that correspondence entered upon the Minutes of the Board, or do you produce that as private correspondence which took place between yourself individually and Mr. Freshfield?—I present it as correspondence which took place between myself and Mr. Freshfield. It was submitted to the Board, and was made correspondence of the Board; it was under the consideration of the Board, and adopted as correspondence of the Board. This is a copy of the correspondence between myself and Mr. Freshfield, and the bond prepared by Mr. Freshfield to carry my plan into execution, and a copy of that part of Mr. Freshfield's professional bill which relates to the transaction.

Vide Appendix, p. 225.

[*The Witness delivered in the same.*]

1902. Is there anything else that you wish to state to the Committee?—I wish to put in a paper, No. 5, from Colonel Gawler's despatches; it is a paper to elucidate the nature of the soil of the north-west part of the colony.

1903. What is the nature of this paper?—It is a copy of parts of despatches and official papers addressed to us by Colonel Gawler.

Vide Appendix, p. 226.

[*The Witness delivered in the same.*]

1904. Mr. *Hope.*] You were understood to state that the drafts of the letter of the 8th of January was written by Mr. Montefiore, containing these words: "On these grounds your Lordship declines the interview which our letter of the 9th ultimo sought"?—Yes.

1905. It appears that the words "which our" are struck out, and over them is written "requested in the chairman's;" so that the words in the letter as sent in are: "On these grounds your Lordship declines the interview requested in the chairman's letter of the 9th ultimo"?—Yes, I stated that that correction was made.

1906. At whose suggestion was the alteration made?—I do not remember; I suppose it was to verify the fact that the letter was signed by the chairman. All letters that went from the Board signed by the chairman were designated as the letters of the chairman.

1907. Was

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1907. Was there any particular discussion upon the subject of that alteration, or was it done as a matter of course?—It was done as a matter of course.

1908. In whose handwriting is that alteration?—(Mr. *Gliddon.*) It is in my handwriting.

1909. (To Colonel *Torrens.*) As far as you remember, was there any discussion upon the subject of the alteration at the time it was made?—Not that I remember.

1910. You do not recollect any special reason being given why the alteration should be made?—No, except the very obvious reason that it ought to have been made, because, as the letter was written by the chairman, it should be described as the chairman's letter.

1911. Do you recollect that any such reason was given in fact at the time?—I do not. I suppose that any person who was correcting the letter and making it a proper letter, would make that alteration.

1912. You do not recollect any discussion upon the subject, or any reason being given?—No.

1913. (To Mr. *Gliddon.*) Are the Committee to understand that the words making the alteration in the draft of the letter are in your handwriting?—They are.

1914. By whose direction did you make that alteration?—I cannot recollect that it was by the direction of any particular member; it was by the direction of the Board; my recollection is rather that it was for the purpose of making the whole letter, as it was to be signed by myself as acting secretary, agree. It was originally written to be signed by the chairman; and in other places there are alterations made, merely changing the person.

1915. Your impression is that it was done by yourself, without any direction from any one?—That it was done at the Board, to make the letter read properly. As I had instructions that I was to sign it, I was obliged to make that alteration.

1916. In short there was no discussion upon the subject?—I have no recollection of any. The letter was discussed clause by clause, and passed.

1917. Lord *Mahon*, to Colonel *Torrens.*] The letters you have delivered in from Mr. Freshfield appear to be private letters; are you aware whether Mr. Freshfield would have any objection to the production of those letters?—I cannot apprehend that he would have the least objection.

1918. Have you communicated with him upon the subject?—I have not; they were presented to the Board, and under discussion at the Board; they were stamped with the Board's seal and made official papers, as in public offices many letters that have the form of private letters are converted into public documents, and acted upon as such.

1919. The correspondence you now produce is, in fact, a copy from the official records of your office?—Yes.

1920. Made by the officer usually employed to copy letters and proceedings for Parliament?—Yes, made by one of the clerks.

1921. Under the direction of the commissioners?—Under the direction of myself. A copy was taken for me, and a copy was taken for Mr. Elliot.

The Honourable *Edward Villiers*, called in; and Examined.

The Hon. *Edward Villiers*.

1922. *Chairman.*] ARE you one of the present Board of Colonization Commissioners of South Australia?—I am.

1923. Have you seen the evidence which has been given by your colleagues, Colonel Torrens and Mr. Elliot, before this Committee?—I have, a great part of it; I have not seen the latter evidence given by Mr. Elliot.

1924. Are there any points to which you wish particularly to advert, as connected with that evidence?—The only point to which I should advert, which I believe has been much questioned here, is the expediency of raising a loan earlier in the year. I should only wish to state, that I conceive that we should have rather violated the Act than have conformed to it, if we had raised it earlier. We had a considerable sum of money in our hands, in addition to that which was required for carrying on emigration to the colony.

1925. Will you refer to Mr. Elliot's answer to question 615, in which he states that he has no distinct recollection that the proposition to raise a loan was brought formally under the consideration of the Board in the early part of last year?—I can answer, having had time for recollection, that no distinct proposition was made early in the year; that about the month of March we all discussed the sub-

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ject, and were all convinced that, in the course of the year, it would be necessary to raise a loan.

1926. Colonel Torrens has handed in a minute from Mr. Pennington, one of the late Colonization Commissioners, which appears to have been transmitted to your Board on the 15th of February, by the Under Secretary of State for the Colonial Department; was that made a subject of discussion at your Board at that time?—I do not recollect that it was made a subject of discussion; it was forwarded to us.

1927. Was there a distinct proposition, founded upon that minute, by any member of your Board?—No, I feel confident that there was not.

1928. Is there any other point in the evidence which you have read, upon which you wish to offer any additional evidence to the Committee?—I am not aware that I can throw any further light than has been thrown by Mr. Elliot upon the subject; I gave every subject, as it was my duty to do, my best consideration as it arose in the course of the past year, and I fully concurred in all the steps which we took together. Of course, therefore, I should adhere to the evidence given by Mr. Elliot, which defends that course, and not to that of Colonel Torrens, which impugns it.

I believe it was desired that we should furnish a return which has come from Colonel Gawler, as to the nature of the customs' duties raised; I have brought those returns; they are returns not compiled in our office, but returns sent by Colonel Gawler.

1929. You bring them on the part of the commissioners?—Yes; they form part of Colonel Gawler's papers. I am sorry to observe that they do not exactly state what was wanted, that is, the rate of duty, they only give the amount.

1930. Does that paper give the most perfect information which the commissioners can furnish upon that subject?—It does; in the South Australian Almanack we have found the rate of duties.

1931. Is that a document of any authority?—It professes to give an abstract of the Act, and I should think therefore it is correct; it is published in the colony.

1932. Can you, from the authority of that document, give the Committee any information as to the rate of duties?—I can; it is put in the form of a table, and the rates are contrasted with the rates in New South Wales.

1933. Is the South Australian Almanack, from which that is extracted, published annually in the colony?—I believe the last year is the first, but it is intended to be continued. The returns of the duties in New South Wales are taken from the Blue-book.

1934. Will you have the goodness to deliver in those papers?—

[*The same were delivered in, and are as follow:*]

A RETURN of the Amount of REVENUE raised from the Customs and Wharfage Dues, during the Period from 1 January to 30 June 1839.

	£.	s.	d.	£.	s.	d.
Duties - - from 1st to 31st January - - -	681	3	–			
Wharfage - - - - ditto - - - - -	91	19	–			
Lighterage - - - - ditto - - - - -	16	10	–			
Reporting and clearing ships, ditto - - - -	31	10	–			
				821	2	–
Duties - - - from 1st to 28th February - -	848	1	6			
Wharfage - - - - - - ditto - - - -	67	16	9			
Lighterage - - - - - ditto - - - -	35	5	–			
Reporting and clearing ships, ditto - - - -	28	–	–			
				979	3	3
Duties - - - - from 1st to 31st March - -	898	18	2			
Wharfage - - - - - ditto - - - -	37	4	6			
Lighterage - - - - - ditto - - - -	15	15	–			
Reporting and clearing ships, ditto - - - -	37	–	–			
				988	17	8
Duties - - - - from 1st to 30th April - - -	1,160	7	–			
Wharfage - - - - - - ditto - - - -	57	2	9			
Lighterage - - - - ditto - - - -	3	15	–			
Reporting and clearing ships, ditto - - - -	40	–	–			
Duties received at the bonded store, Adelaide - -	287	19	10			
				1,549	4	7

	£. s. d.	£. s. d.
Duties - - - - from 1st to 31st May - - -	1,173 - -	
Wharfage - - - - - - - ditto - - - -	23 15 5	
Lighterage - - - - - - ditto - - - -	4 10 -	
Reporting and clearing ships, ditto - - - -	22 - -	
Duties received at the bonded store, Adelaide - -	175 10 9	
		1,398 16 2
Duties - - - from 1st to 30th June - - -	832 19 9	
Wharfage - - - - - - - ditto - - - -	77 11 9	
Lighterage - - - - - - ditto - - - -	15 - -	
Reporting and clearing ships, ditto - - - -	28 - -	
Duties received at the bonded store, Adelaide - -	275 11 6	
		1,229 3 -
TOTAL - - - £.		6,966 6 8

(signed) *Thomas Lipson,* Collector.

A RETURN of the Amount of REVENUE raised from the Customs and Wharfage Dues, from 1 July to 31 December 1839.

	£. s. d.	£. s. d.
Duties - - from 1st to 31st July - - - -	1,092 17 9	
Wharfage - - - - ditto - - - - -	221 8 6	
Lighterage - - - - ditto - - - - -	22 10 -	
Reporting and clearing ditto - - - - -	28 - -	
Duties from bonded store, Adelaide - - - -	303 - 9	
		1,667 17 -
Duties - - from 1st to 31st August - - -	1,171 15 7	
Wharfage - - - - ditto - - - - -	329 2 -	
Lighterage - - - - ditto - - - - -	28 10 -	
Reporting and clearing ditto - - - - -	29 - -	
Duties from bonded store, Adelaide - - - -	203 11 3	
		1,761 18 10
Duties - - from 1st to 30th September - - -	1,054 11 9	
Wharfage - - - - ditto - - - - -	299 9 9	
Lighterage - - - - ditto - - - - -	- 15 -	
Reporting and clearing ditto - - - - -	27 - -	
Duties from bonded store, Adelaide - - - -	178 7 7	
		1,560 4 1
Duties - - from 1st to 31st October - - -	1,710 17 1	
Wharfage - - - - ditto - - - - -	211 1 -	
Lighterage - - - - ditto - - - - -	11 5 -	
Reporting and clearing ditto - - - - -	16 - -	
Duties from bonded store, Adelaide - - - -	48 4 8	
		1,997 7 9
Duties - - from 1st to 30th November - - -	1,304 3 4	
Wharfage - - - - ditto - - - - -	175 8 3	
Lighterage - - - - ditto - - - - -	—	
Reporting and clearing ditto - - - - -	29 - -	
Duties from bonded store, Adelaide - - - -	237 13 -	
		1,746 4 7
Duties - - from 1st to 31st December - - -	1,651 12 8	
Wharfage - - - - ditto - - - - -	136 13 1	
Lighterage - - - - ditto - - - - -	6 15 -	
Reporting and clearing ditto - - - - -	12 - -	
Duties from bonded store, Adelaide - - - -	90 - -	
		1,897 - 9
	£.	10,630 13 -

(signed) *Thomas Lipson,* Collector.

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COMPARATIVE STATEMENT of the RATES of IMPORT and other DUTIES in *New South Wales* and *South Australia,* taken from the South Australian Almanack, and from the Blue Book for New South Wales.

ARTICLE.	RATE IN NEW SOUTH WALES.	RATE IN SOUTH AUSTRALIA.
	£. s. d.	£. s. d.
Spirits made in the colony from grain -	- 3 - per gallon.	- 4 - per gallon.
Spirits made in the colony from any article, except grain, not being the produce of the colony - - - - -	- 4 6 - ditto.	
All other spirits made in the colony -	- 10 2 - ditto.	
Imported spirits - - - - -	Direct from Great Britain, the produce of the United Kingdom, the West Indies, or the North American colonies, - 7 9 per gallon.	The produce of Great Britain, or any of the colonies, - 8 - per gallon.
All other imported spirits - - -	- 10 2 - ditto -	- 12 - ditto.
Tobacco imported - - - -	Manufactured, and snuff, - 2 - per pound.	Manufactured, - 1 6 per pound.
	Unmanufactured, - 1 6 - ditto.	All other, except tobacco stalks, - 1 - per pound.
		Cigars, - 5 - ditto.
Foreign goods imported - - -	5 per cent.	
Foreign wine imported - - - -	- - - -	15 per cent.

1935. Have you anything else to state to the Committee?—I believe that some doubt has arisen, and might very properly arise, as to applying the debt to the Emigration Fund to future emigration; I mean the sum of 56,000 *l.*, which has been mentioned as due to the Emigration Fund, and still unappropriated. I think it right to mention to the Committee that there is a class of claimants upon this fund whose claims perhaps have not been considered. By the land regulations of the colony the privilege is given to land purchasers of nominating a number of labourers for free passages in proportion to the sums of their purchase-money. The time within which they may exercise that privilege is generally about 18 months; and during the past year some purchases have been made, which were made entirely with the understanding that the privilege was to be given to the purchaser of nominating emigrants. One individual whom I saw frequently while he was preparing to make his purchase, assured me that he had no interest whatever in the colony; that he was about to effect a very large purchase solely for the purpose of providing for the labourers upon his estate; that was a Member of the House of Commons, who bought last year 4,000 acres of land, and he called the other day and seemed fully to expect that the privilege would be given to him. Of course I cannot anticipate what the decision of the Committee may be upon the subject, but I thought it right to mention it.

1936. Do you mean that he made that purchase upon the faith that the supply of emigration to the colony would not be discontinued?—That he should have a right of nominating emigrants for a free passage.

1937. And which right he cannot have, unless the Emigration Fund is replenished?—No; a portion of that 56,000 *l.* is the money which he paid; there are other parties under the same circumstances; but that is a case which passed under my own notice particularly, and therefore I mentioned it.

1938. Mr. *Hope.*] What was the date of the purchase you allude to?—It was made in the middle of the summer; it was completed in July.

1939. The

1939. The object was provision for the labourers, and not the purchase of the land?—Entirely; he told me he had no interest whatever in the colony. The whole extent of claims which we should have upon us if we were carrying on emigration now, and the land purchasers exercised their privilege, would amount to 24,634 *l.*, less than half of the 56,000 *l.*

1940. Lord *Eliot.*] Is not this cessation of the supply of emigrants in fact a breach of faith to the parties who have bought land upon that understanding?—I think so, certainly. With respect, however, to the general question of the breach of faith, I think the parties settled in the colony would only look to what is most for the advantage of the colony upon the whole. I consider the case of those who have a right to nominate emigrants to be a special one.

1941. Captain *A'Court.*] The emigrants had a right to suppose that the whole produce of the land sales would be applied to emigration?—Yes, subject to the condition imposed in the Act of Parliament of the Land Fund being collateral security for the payment of the revenue debt.

John Rundle, Esq. a Member of the House, Examined.

1942. *Chairman.*] ARE you connected with the South Australian Company?—Yes.

1943. Have you been for a considerable period?—From the commencement.

1944. Have you heard the evidence given by Mr. Angas as a director of the company?—I have.

1945. Do you generally concur in the statements he has made?—Yes.

1946. Is there any point upon which you wish to add any information?—There are two or three points which I think have not been mentioned. With respect to the town acres, we hold 162 town acres in Adelaide, of which 102 were original purchases. The whole of the original purchases were about 440, and the remainder, making in all 1,000, were sold by auction in the colony, at prices averaging six guineas an acre, which of course the colony had the benefit of. I think there has an unfavourable impression gone abroad with respect to the port that we have laid out a good deal of money upon. We have intelligence that there is a depth of water for vessels of 500 tons at low water.

1947. Is that the new port or the old port?—That is the new port, to which we have made a road; it is about two miles lower down than the old. We have sent out altogether from 30 to 35 farmers, to whom we have let land, giving them the right of purchase within a certain period, at a price fixed before they took possession. The rents originally were, 1 *s.* 6 *d.* for the first seven years, 2 *s.* 6 *d.* for the second, 3 *s.* 6 *d.* for the third, with the right of purchase at 30 *s.* an acre.

1948. Has that right of purchase been acted upon in any cases yet?—I have no information upon that subject. As they have the right within seven years, the probability is, that they would not exercise it immediately. There have been two advances upon it. The present prices are, 4 *s.*, 5 *s.*, and 6 *s.*, with the right of purchase at 5 *l.*, 6 *l.*, and 7 *l.* We have made it a rule always to advance to the parties capital to the same extent as that which they have laid out upon our land.

1949. At what rate of interest?—At the current rate of interest in the colony. We have been very cautious not to take any but practical farmers, and have required certificates of their being so before we allowed them to go out, and we have rejected several with respect to whom we were not satisfied upon that point. I wish to state that the colonists were out there in July 1836, and there were no country lands allotted till May 1838, which, I think, will quite account for the land jobbing that took place. I have no doubt myself of the capability of the colony to repay the loan that may be made to it; but I think that, under the circumstances, there should be considerable time given for the repayment, and that the time of the first period of repayment should be late.

1950. Do you refer to the loan which is required to pay off the present debt?—I do.

1951. Do you anticipate that the colony will be able to pay, out of its current revenue, the interest of that debt, and to pay off the debt itself by instalments, and to provide for its ordinary current expenditure without any further assistance from Parliament?—I do; provided that the control of the expenditure is placed in the hands of the colonists themselves.

1952. To what amount do you think the expenditure could be reduced by giving such control to the colonists?—It depends upon what the government has

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to provide for. I should recommend that the police and the roads should be provided for by local taxation; and the other current expenses of the government, I think, might be done for 20,000*l.* a year.

1953. To which would be to be added the interest of the debt?—The interest of the debt would be about 15,000*l.* or 16,000*l.*

1954. Are you of opinion that the current revenue of the colony may be estimated at 40,000*l.* a year?—If the colony goes on, as we have reason to believe it will, there is no doubt of it; at present it is 30,000*l.*

1955. Captain *A'Court.*] Do you contemplate the appropriation of any part of the land sales to pay off this debt?—No; I think the land should be held liable to the expenses of surveys.

1956. *Chairman.*] You mean that the net proceeds of the land, and not the gross proceeds, should be applicable to emigration?—Yes.

1957. Do you take into account, in addition to the ordinary expenditure of the government, any works of a permanent nature that would require any extraordinary outlay in the earlier years of the colony?—It appears to me, from the intelligence I have seen from the colony, that those works have been pressed forward lately with undue rapidity.

1958. Do you think that any estimate is required of expenditure under that head?—If the money has been judiciously laid out that has been already expended for those purposes, I can hardly anticipate that anything more will be required for those purposes for a long time to come.

1959. You do not include any expense on account of buildings or works in the estimate of 20,000*l.* a year?—Decidedly not. With respect to calling upon the colonists to repay the debt which has been incurred, there ought to be a very liberal consideration for the portion of expenditure which has been absolutely wasted and lost.

1960. What do you mean by the portion which has been absolutely wasted?—In the first place, the unfortunate position in which the survey department was placed by the disputes with the governor, which led to their all resigning, and then the present governor got involved with a double staff; and in addition to that, I think the injudicious manner in which the government buildings have been pressed forward, has occasioned their being done at a much larger expense than if more time had been taken for it.

1961. Have you formed any calculation of the amount that would in your opinion have been required for surveys, looking to the principle upon which the colony was founded, and the importance of admitting the purchasers of land to their land at the earliest possible period?—No; there was a good deal of time lost which had to be made up afterwards by extra expenditure; if the surveying staff had gone out before the colonists, I think it might have been done at one-third of the expense.

1962. Do not you think the company would have acted a wiser part in not sending out emigrants till the necessary arrangements had been made to provide for their reception by the survey of the lands?—It was settled that a certain sum should be paid before anything was done; and, of course, when once the money was paid, the parties were desirous of going out to the land they had purchased.

1963. Then this has been the result of the manner in which the early formation of the colony was conducted?—To some extent; but a good deal has been owing to the unfortunate disagreement which took place among the government officers after they got out there.

1964. Mr. *Gladstone.*] Do you think the public funds of this company ought to be liable for the loss occasioned by those circumstances?—I think it would be hard to put the loss upon the colonists, for they had no control.

1965. The commissioners were the parties that had the control?—Yes; but they acted under the Colonial Office.

1966. Do not you think that the commissioners were the parties who really and virtually had the control much more than the Colonial Office, and that the practice of the Colonial Office was to leave the effective power in the hands of the commissioners?—I believe it was.

1967. Were not the colonists aware that the constitution of the colony to which they were going, was so arranged, and in that respect distinguished from other colonies which were much more under the influence of the Crown?—They certainly were aware that the colony was established under particular Acts of Parliament;

ment; but I do not think they contemplated being pecuniarily liable for the losses which might happen from the act of any governor.

1968. Was not it particularly contemplated in the formation of the colony that matters of finance should be removed as much as possible from the control of the executive in this country?—I believe it was; but there seems to have been a difference of opinion between the Colonial Office and the commissioners themselves upon that subject.

1969. *Chairman.*] Was not that difference of opinion decided by the law-officers of the Crown in favour of the commissioners?—It was; but that was long after the colonists went out.

1970. Could the Government exercise any other control over the commissioners than by removing them from the commission?—It appears that it could not as to the expenditure, according to the opinion of the law-officers of the Crown. I would take the liberty of suggesting, that it strikes me that if the colonists are to be held liable in future for the expenditure they ought to have some control, and I think the municipal bodies which have been formed would, for the present, give them the best means of having that control, by allowing the mayor and aldermen of different places to be *ex officio* members of the council.

1971. Do you refer to the municipal bodies which have been formed with the sanction of the Government?—Yes; here is the Municipal Corporation Act for the city of Adelaide. I see that it is not a very popular election; no man is allowed to vote who does not occupy or own to the extent of 20*l.* a year, and no man is qualified to hold office who does not occupy to the extent of 50*l.* a year. This Act I will deliver in.

[*The same was delivered in.*]

Vide Appendix, (Paper, No. 12), p. 207.

1972. Do you know whether house-rent is high in Adelaide?—Very high, I understand.

1973. Therefore a qualification of 20*l.* a year would not be a very high qualification?—Not so high as the same amount here.

1974. Would it be as high as 10*l.* here?—I should think so. I wish also to state to the Committee some information I have just received as to the manner in which cultivation is going on in some districts. In M'Laren Vale, Onkaparinga, there are 12 settlers who possess 2,000 sheep and 200 cattle, and 70 acres under crop. In Willinga there is an inn, a police station, 12 houses, 50 acres crop, slate-quarry worked by M'Loud. Angas District is thickly settled; it contains 14 stations, 10,000 sheep, 1,000 cattle, and 70 horses. Mount Barker District contains 500 acres crop, 200 sheep, 1,800 cattle.

1975. Have you received that by the last arrivals from the colony?—I have.

1976. Do you concur generally in the view which Mr. Angas takes of the present condition and future prospects of the colony?—Quite. I see by the South Australian Register the vessels now lying at Port Adelaide are the Lalla Rookh, of 372 tons; the Guiana of 450 tons, and the Mercury, described as a fast-sailing privateer built ship; also the Appoline for Madras and Calcutta; the Isabella, Superb, and Sisters, for Sydney; and the Alice for Port Phillip; that is dated the 27th November.

1977. Have you anything further to state to the Committee?—I wish to observe that I think that whatever may be decided about the immediate repayment of the Emigration Fund, facilities should be given to persons who are now inclined to purchase land, to take out from this time, if they choose, emigrants for the purchases they make.

1978. Do you mean that if any money should now be received by the commissioners on account of land sales, the money should be employed in taking out emigrants?—Decidedly; because I think there are persons that perhaps would go out and purchase land if they knew that the money they paid would be appropriated to taking out emigrants at their own choice.

1979. Have you any statement to make with regard to the price of land?—The high price of land which has been referred to is not peculiar to South Australia. At Sydney the government have put up half an acre of land in Bridge-street, the corner of Pitt-street, the minimum price of which is 9,000 *l.*

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1980. Do you mean that the government in Sydney have put up the land at that minimum price?—Yes.

1981. So that, whatever the land fetches, the colony will have the benefit of?—Yes.

1982. Is not there this difference, in that respect, between New South Wales and South Australia, that in New South Wales the public get the benefit of the high price of land, and in South Australia individuals get the benefit?—That may be in some single case; but there are other sellers as well as the government. At Melbourne, William-street, 19 feet frontage by 52 feet deep has been sold at 5 *l.* a foot frontage; that is by individuals; the government has nothing to do with that.

1983. Do you know what those individuals gave for it?—I should think originally not more than was paid in South Australia. All I wanted to show was, that the high price of land is not confined to South Australia.

1984. Has not it been peculiar to South Australia that individuals have bought land here at 12 *s.* or 1 *l.* an acre, and sold it there for very large sums?—I believe not; I believe that many of the original purchasers at Port Phillip have purchased their land on as favourable terms as purchasers in South Australia.

1985. Do you mean that there have been persons at Port Phillip that have purchased land at 12 *s.* or 1 *l.* an acre, and have been able to sell it within the next half hour at a very great increase?—I cannot say that; nor do I believe that any such cases have occurred in South Australia.

1986. Has not land in South Australia been bought in this country at 1 *l.* an acre, which has afterwards fetched to the individual, within a short time, from 1,000 *l.* to 1,500 *l.*?—I am not aware of that; we have made no such sales. We have sold some land at 1,000 *l.* or 1,500 *l.* per acre; but that has been at the new port, where we have laid out a very large sum upon it.

1987. Have not some of the town lots in the town of Adelaide sold at a very high price?—They have.

1988. Did any of the purchasers of those town lots give more than 1 *l.* an acre for them?—I should think so, because more than half the lots in the town of Adelaide have been sold at auction; except the preliminary sections allotted here, the whole of the rest were sold by auction after the first purchasers had drawn their lots.

1989. Do you know what was the highest price given by the original purchasers at a public auction for the land in Adelaide?—I do not know anything more than that the average was six guineas an acre; there is one thing I think should not be lost sight of, which is with respect to the expenses of South Australia. A very large proportion of females have gone out—a full half have been females; now, in the other Australian colonies five-sixths of the persons that have been sent out have been productive labourers.

1990. Do you mean under the convict system?—Not only the convicts, but the free settlers.

1991. Under the present regulations, is not there the same proportion of females required to be sent out in emigrant ships, provided at the public expense, to the other colonies as to South Australia?—I believe there is; but it was not so till lately.

Veneris, 19° *die Martii*, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Mahon.
Lord Eliot.	Sir W. Molesworth.
Lord Fitzalan.	Mr. Vernon Smith.
Mr. Gladstone.	Mr. Southeron.
Sir George Grey.	Lord Stanley.
Mr. G. Hope.	Mr. G. W. Wood.

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

John Studholme Brownrigg, Esq. a Member of the House; Examined.

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1992. *Chairman.*] ARE you a Director of the Chartered Bank of Australasia?—I am.

1993. Has that bank any branch established in South Australia?—It has.

1994. Is that bank, under its charter, bound to give information to Government, which is laid before Parliament?—I do not know whether it is laid before Parliament or not, but it is bound to furnish certain returns, both in the colonies and in England, periodically.

1995. Are those returns furnished in a tabular shape?—They are.

1996. Have you a copy of the latest returns of that kind which have been made to Government?—I have the last which was made in the colony. I must observe that the returns made in this country are made collectively, showing the general state of the whole bank; but each branch submits to the local government a statement of its own affairs. We have several branches throughout the colony.

1997. Do the returns made in this country only show the general state of assets and liabilities of the bank?—That is all.

1998. But the returns in the colony give much more detailed information?—They are made upon the same principle, but they give the details of each branch to the local government.

1999. Will you be good enough to read the actual return which you have which was furnished in the colony?—This is the last half-yearly return furnished in the colony, but we have weekly returns to a later date, furnished by our manager there to the directors in this country.

2000. Will you be good enough to read the last half-yearly return.

[*The same was read, as follows:*]

No. 3.—HALF-YEARLY RETURN of the Average Weekly Amount of the LIABILITIES and ASSETS of the BANK OF AUSTRALASIA, in the Province of *South Australia*, from the 15th October 1839 to the 13th April 1840, both days inclusive.

LIABILITIES:

	£.	s.	d.
Notes in circulation, not bearing interest	2,376	13	10
Bills in circulation, not bearing interest	1,056	2	9
Bills and notes in circulation, bearing interest	—		
Balance due to other banks	—		
Cash deposited, not bearing interest	—		
Cash deposited, bearing interest	17,048	19	10
TOTAL Liabilities £.	20,481	16	5

ASSETS:

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ASSETS:	£.	s.	d.
Gold, silver, and other metals	8,581	5	10
Landed property	—		
Bills of other banks	—		
Balances due from other banks	—		
Debts due to the bank, including notes, bills, &c.	26,206	–	3
TOTAL Assets £.	34,787	6	1

Adelaide, 16 May 1840.

(signed) *R. F. Newland*, Manager.
John Galloway, Accountant.

2001. Is that return confined to the branch of the bank in South Australia?—I am speaking exclusively of the branch at Adelaide.

2002. Mr. *Wood.*] Does that return correspond in its main features with the preceding half-yearly returns?—Our branch only opened on the 1st of January 1839, so that there were not many preceding half years; it showed a gradual increase, but it was very gradual.

2003. Have you appropriated to this branch any specific capital?—The capital they have there now is about 31,000 *l.* Perhaps I might say a few words in regard to that, by way of explanation: Our bank in the colony is managed by an inspector, who has the regulation of the appropriation of the capital to the different branches.

2004. In the whole of Australia?—The whole, including Sydney, Van Diemen's Land, and other different branches. In both those colonies we fix the amount of capital for the whole colony; he is empowered, under the supervision of the directors in this country, to alter the capital at each branch, to increase it or diminish it as he finds there is a profitable employment for it; therefore there is no fixed specific sum for the capital of any particular branch; our whole capital amounts to 600,000 *l.*, all of which is employed in the colony.

2005. When you say in those colonies, you mean in Australia and Van Diemen's Land?—Yes.

2006. Will you state the number of branches you have in those two countries, and where they are situated?—The principal branch is at Sydney; there is one at Maitland; there is one at Bathurst; there is one at Melbourne, Port Phillip, and one at Adelaide; and in Van Diemen's Land there is one at Hobart Town and one at Launceston.

2007. Among them they absorb and find employment for a capital of 600,000 *l.*?—They do.

2008. A capital advanced by the shareholders?—Yes.

2009. In addition to the money deposited with them?—Yes.

2010. And you leave the appropriation of this large capital among those respective branches, to the judgment of your director-general, whom you have appointed to superintend the whole of your establishments there, subject to the recommendations and control of the directors at home?—Exactly so; I should state that at each of the branches there is also a local direction, composed generally of respectable merchants, who assist the manager at each branch with advice.

2011. Their assistance, probably, is principally given in judging with respect to the bills which are to be discounted?—And for the general management of the branch at each place.

2012. If they were to offer a suggestion to the director-general that a larger proportion of capital was wanted at any one establishment than another he would probably give attention to that suggestion, and if he concurred in it, upon investigation, would supply that additional capital to that establishment?—No doubt; but to do that it would be necessary to make a diminution in another place, because he cannot exceed the amount of capital he has altogether.

2013. Do you conceive that the capital which your bank has at present is sufficient for the banking purposes of those several colonies?—I believe more could be profitably employed.

2014. Do you believe that the portion you have allotted to South Australia is sufficient for the purpose?—Decidedly so, at present.

2015. Do you believe that it is sufficient for the wants of South Australia, taking

taking into account the other means which South Australia possesses of getting banking accommodation?—I beg to say that I have no personal knowledge myself of the colonies, and therefore any information I may now give must be taken as derived from the reports of our officers, and also from the means of information I have from a long mercantile connexion with the colony of New South Wales generally. I am, therefore, not competent to give any very decided opinion as to whether the amount of capital generally employed there is adequate to the purposes of the colony of South Australia, for this plain reason, that I do not know what capital is appropriated, or what is used, either by the South Australian Company or by the Union Bank, which I understand has a branch there also.

2016. Have you had any representations from your director-general, or from the local directors in South Australia, that a larger amount of capital in that colony was desirable for its legitimate operations?—We have not.

2017. Have you had any representations that if you were to furnish more capital they could employ it safely and profitably?—No, not particularly from Adelaide.

2018. Then, so far as you know, sufficient has been done by your establishment for the wants of that colony in the relation in which you stand towards it?—I think so.

2019. *Chairman.*] You were understood to say that there has been a gradually increasing business since the establishment of your bank in South Australia?—Certainly; but it has been very gradual. This appeared from a return which I examined for the purpose of refreshing my memory before I came here. We are furnished with returns. They are made up every week, giving a detail of all the transactions of the bank, and those are abstracted, so that by running my eye down the columns, I see the state every week of the cash in hand, and the bills discounted, and every transaction of the bank.

2020. Mr. *Wood.*] Without going into those details, but from the knowledge you possess, arising from the examination of those reports, is it your opinion that the business which your bank has done there is legitimate, proper banking business?—If the question has reference to the mode in which banking business is done in this country, I should say, not quite so; because there is a certain degree of looseness in the manner in which business is done in the colonies that is not quite analogous to the practice in this country. But I cannot say with regard to the business, which consists principally of discounts, whether the exact transactions represented by those discounts are known; the ordinary rule with our managers is, that if the customers of the bank, or others, want discounts when he is in a condition to discount freely, he is to satisfy himself that he has, according to our rule, two good names upon the paper. It is scarcely possible for him to know exactly upon what transactions that paper is founded. We are precluded by our charter from taking that security which other parties may take, which is the great security in all those colonies, namely, land. We are expressly precluded from lending money upon that security.

2021. Keeping in view those customary regulations of sound banking in this country to which you have adverted, do you think those regulations have been more deviated from in your establishment in South Australia than the circumstances of the case rendered desirable or justifiable?—I think what has been done has been justified by the state of things in the colony.

2022. Is it not your opinion that a larger amount of latitude is necessary in an infant colony than that which is applicable in the emporium of the money-market of the world?—Unquestionably.

2023. Lord *Eliot.*] Have those deviations been greater in South Australia than in the other Australian colonies?—They have, for this plain reason, that the colony is of more recent establishment.

2024. Mr. *Wood.*] Will you state what are the chief of those deviations from the banking regulations adopted in London to which you have alluded?—In the first place, it is not found practicable to adhere strictly to the usance, the time for which paper has to run. Here the ordinary understood rule is, not to discount paper beyond 90 days; it is not found practicable to adhere strictly to that in the colonies, even at Sydney, where they carry on matters more steadily than they can be expected to do in a new colony.

 2025. Then

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2025. Then one of the deviations to which you allude is the discounting of bills at longer dates than is considered desirable and proper in London?—Exactly.

2026. Is there any other that you would wish to mention?—I do not think there is.

2027. What is the longest date at which your bank is accustomed to discount paper at Adelaide?—When you say "accustomed," I beg it to be understood that I am rather mentioning the deviations; the general practice is, that anything under 90 days is considered perfectly legitimate; and when our local directors deviate from that and discount as far as six months, which they seldom go beyond, they are regulated, of course, by their knowledge of individuals, and the circumstances connected with the transaction which this paper represents.

2028. Are those cases of discounting paper having more than 90 days to run occasional exceptions, or do they form a considerable portion of the entire amount of the discounts done?—They form a considerable portion.

2029. What portion may they amount to?—That is difficult to say, but I should say at Adelaide probably fully a third.

2030. Then about two-thirds may be understood to be paper which has not more than 90 days to run, and one-third from 90 days up to not more than six months?—Thereabouts; but they find it impracticable to adhere to that strict rule; the accommodation to the public would be very limited were it restricted as it is in this country.

2031. Are you cognizant of any discounts having taken place of bills exceeding six months date?—There may have been some very few exceptions, but they are very few.

2032. Adverting again to the London practice, are there not also deviations in London going beyond the three months?—No doubt about it.

2033. Among even first-rate banking-houses?—Yes.

2034. *Chairman.*] You mean that that practice is more frequent in South Australia than in London?—I think so.

2035. Sir *William Molesworth.*] Where does your director-general reside?—His head-quarters are at Sydney, but it is his duty to go round occasionally. At the last report we had he was preparing to embark for Van Diemen's Land, with the intention of visiting Adelaide afterwards.

2036. Mr. *Wood.*] You have adverted to your being prohibited from making advances upon land under the conditions of your charter; do you consider that prohibition a desirable one for the bank and for the colony of South Australia, or otherwise?—I consider it a most advisable one for the bank.

2037. Should you recommend, in the event of the Government, upon the recommendation or under the sanction of Parliament, conferring a charter upon one or more banks established for South Australia, that a similar prohibition should exist?—I consider it a most wholesome prohibition.

2038. Do you consider the prohibition advisable, both as regards the welfare of the bank and the welfare of the colony?—I do, taking both together.

2039. *Chairman.*] Will you state in what respect you consider that restriction as advantageous?—As far as regards a bank of circulation and deposit, which is liable to have that which they owe called for at demand, or at a short notice, I consider it to be very imprudent in a bank to lock up its funds, which they must do if they lend upon landed security.

2040. Then with respect to the colony?—I do not mean to say that it might not be advantageous were there money in the colony available for the purpose of lending on land, but I think that it is a most unwise thing for a bank to do; and, therefore, when I am asked the two questions together, I am obliged to answer in the negative.

2041. Mr. *Wood.*] You consider that if it be desirable for the landowners to have an opportunity of raising money upon mortgage, it ought not to be done through the instrumentality of a bank, but by means of capital applicable to such purposes, which may be locked up for an indefinite time, with less impropriety than can be done by a banking establishment?—Decidedly so. For a person seeking a permanent investment for his money, a good mortgage is one of the best securities; but for a bank, I hold it to be the most unsatisfactory security they can hold.

2042. If the banks were to make advances upon the security of land, either upon actual mortgage, or equitable mortgage by deposit of the title-deeds, do you think that such a custom on the part of the banks might have an injurious tendency in creating or encouraging land-jobbing?—I think it would; and I should hold that bank to be in a very unsafe state that had much of its funds so locked up.

2043. Would such encouragement to land-jobbing be, in your opinion, permanently detrimental to the interests of the colony itself?—In the case of a man borrowing money upon the security of his land at a moderate amount, to enable him to extend cultivation, or to make improvements, I do not exactly view that as land-jobbing. Land-jobbing I understand to be a man buying a quantity of land on speculation, with a view of selling it the next day if he can make money by it.

2044. With that interpretation of land-jobbing, you consider any encouragement given to it by banking establishments pernicious?—Most pernicious.

2045. Whilst you consider the power to borrow money upon the mortgage of property *bonâ fide* held would be serviceable to the colony?—No doubt.

2046. Suppose a party possessed of landed property, which he had paid for, desiring to borrow money upon the mortgage of that property, and to seek to do it by a bill of exchange, and that the circumstances of the individual were such as to give a moral assurance that the bill would be honoured at maturity, in the same way as mercantile bills are honoured, would it come within the province of your bank to discount such a bill?—That is presuming a knowledge on the part of the manager of the bank which I apprehend he could not possess; nor do I think that the customers of a bank would readily recognise the right of a manager to say, "What transaction does this bill of yours represent"? He comes to the bank and asks for a discount on the strength of his own credit, and the credit of the other names upon that bill, and upon that alone, I apprehend, the manager and local directors of the bank would form their judgment.

2047. Then such a bill he would not hesitate to discount, if he felt confidence, from the stability of the parties who had indorsed it, that it would be paid at maturity, even though he had reason to suppose that it had arisen out of purchase or sale of land?—Really that is a question as to what a man might do, with a sort of half-knowledge of what the bill represented, that I cannot answer; but my opinion is, that the manager would have nothing to do with the nature of the transaction represented by this bill, if he was satisfied with the responsibility of the parties whose names were upon it; he takes the bill not because it is based upon a land transaction, but because there are good names upon it.

2048. Have you any objection to inform the Committee whether the directors of your bank are satisfied, so far, with the result of the branch which they have founded in South Australia?—I have not the least objection to answer any question upon that subject.

2049. Has the result been satisfactory to the directors?—No, inasmuch as we have made no profit, and that is the great subject of satisfaction, I apprehend, to all banks.

2050. Have you incurred a loss?—No, not that I know of, at present; perhaps a short statement would be more intelligible to the Committee. This branch was established at the beginning of the year 1839; of course, from the length of distance, we have reports only as to the operations of about 19 or 20 months. It was established there at the instigation of several persons connected with the colony, who were anxious that they should have the ordinary facilities afforded them of a bank, and we consented to send down a branch, with a small capital, as an experiment, to see how it would answer. There were some doubts entertained not only here, but also by our inspector, a very intelligent person, as to the success both of the bank and of the colony generally; and I have an extract from a report which I have brought here for the purpose, thinking it might be interesting to the Committee, written by that officer when he got our letter, telling him of the representations made to us here, and pointing out the probable expediency of opening a branch in South Australia; this letter is dated so far back as October 1838, and is written from Sydney. He writes, "I have received much information, both in this colony and Van

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Diemen's Land, as to the progress and prospect of the settlement from parties who have been there, and are interested in it, which all tends to confirm the information contained in your despatch, No. 2, as to the favourable nature of the soil and climate, as well as the amount of population which may be expected to be there. The colony appears to have been founded on the supposition that the price received for the land would be sufficient to pay for the transportation and government of emigrants. I do not pretend to be so good a judge of these matters as the projectors of the colony, yet I venture to express my fears that this fund will be found quite inadequate, and that unless funds be supplied by the British Government, or from some other source, it will be impossible to provide for the administration of police and law. This evil, if it exists, will I think be found to have been aggravated by the form of government adopted." I read this to the Committee, because although the mere speculation of a well-informed person, yet the present state of the colony seems to confirm the soundness of the opinion given at that time. He goes on to say, "There appears also to have been a great want of experience and decision in directing the energies of the colonists to that source from which alone they can hope to rise to wealth, or rather, to prevent themselves sinking into poverty. I cannot anticipate that any profitable commerce will arise (which alone can give rise to profitable banking) until an article of export be produced in considerable quantity, as otherwise the funds of the colonists must be expended in paying for those articles of import, which, in the present day, must be looked on as necessaries of life, and from indulgence in which the colonists evince no intention of denying themselves. Wool is the only article of export that can be produced, and on this subject the colonists appear to have been as supine as they have been eager to purchase town allotments and build houses, giving the place (what seems to me) a false appearance of commercial prosperity. In their anxiety to grasp the shadow, there seems some chance of their losing the substance. I am informed that the sheep in the colony only amount to 7,000, 2,000 of which are wedders, a number altogether inadequate to secure any trade worth mentioning for the next 10 years." "Sheep can be supplied without much difficulty from this colony or Van Dieman's Land, and so long as there are people willing and able to pay for them, there can be no doubt of the colony being amply supplied. I am not able to form an opinion whether the emigrants who have gone there have means sufficient to carry on sheep-farming on a remunerating scale; but I have not as yet heard that persons of sufficient capital have arrived in the colony, and I see no disposition among the flock-holders here to remove any portion of their flocks there. These subjects suggest to me such serious doubt of the ultimate prosperity of the colony, that had it been left to me to undertake or abandon the branch on my own responsibility, I should have delayed taking the step until I could be sure that there were at least 100,000 sheep in the settlement, and that provision was made for the efficient administration of law."

2051. *Chairman.*] Were the instructions to your manager imperative upon him to establish a branch bank in South Australia?—A very strong opinion was expressed, and he did not think himself justified in acting contrary to it. He goes on to mention the details; he says, "I shall be very careful in the person I shall select, and I shall begin upon a very small scale." In the first year, 1839, I think our expenses exceeded nearly one-half. Last year, up to the latest returns, the profits were considerably more; so that I think we stand now pretty nearly as when we went there; we have neither made nor lost any money.

2052. The profits have been increasing in proportion to the expenses?—They have. Last year they paid the expenses, and nearly equalled the deficiency of the previous year. In fact, in any of those branches that we have established, we do not expect to make any profit the first year or two.

2053. Mr. *Wood.*] In your other establishments, had you a larger amount of success the first two years than you have described in this instance?—Yes; because we began at Sydney and Hobart Town and Launceston, and they were old-established colonies.

2054. Does your success at Adelaide equal the expectations you first formed?—Perfectly.

2055. Is it sufficient to encourage you to persevere in the undertaking?—Decidedly. I think that but for the sort of check which the colony appears to have experienced lately, I should have had no doubt of its ultimate success, and yielding a profit upon the capital employed. I think a great blow to credit there must of course have been given by the state of things which the Committee are so well acquainted with.

2056. What has been the rate of salaries you have paid, in order to secure the services of confidential persons in Adelaide, as compared with other colonies?—We have been obliged to make a small increase, in consequence of our being told that living would be more expensive; but we have a regular establishment of servants of all grades, and they are promoted regularly. A man who may be a teller in one branch, if he conducts himself regularly, may be promoted to a higher situation at another. We sent down a confidential servant from Sydney to conduct the branch at Adelaide, and we gave him some increase in consequence of its being represented to us that living there was more expensive.

2057. There was no considerable increase under that head?—No; I think the whole expense of the branch at Adelaide, including the rent of the house and other matters, amounted to 1,500 *l.* or 1,600 *l.*

2058. Lord *Howick.*] Is not the general rate of salaries very high in all those colonies?—It is; and there is a great tendency to increase the salaries; there is the greatest difficulty in keeping them down; people's ideas expand when they get there.

2059. Mr. *Vernon Smith.*] What country are you comparing them with when you say the rate of salaries is high? with this country?—With this country.

2060. Mr. *Wood.*] Have you allowed such salaries and expenses at Adelaide as you consider proportionate to the establishment there, and in just relation to what you do in branches in the other colonies?—Decidedly so.

2061. Mr. *Hope.*] In the letter you read, reference is made to the possibility of persons with large capital coming into the colony, and of an increase of sheep. Has your manager since advised you that such things have happened?—There has been a very considerable increase. Our manager does not enter into details of that nature; it would be unnecessary for him to load his correspondence with points which do not immediately affect the interests of the bank; but there has been a considerable apprehension lately that there was a little over-trading.

2062. Since the date of that letter, the capital in the colony and the quantity of sheep has very greatly increased?—I believe they have increased; but I beg to say, that anything I state now is derived simply from the transactions of our bank; but I will state why I think that it has increased. From the operations of the bank, I judge that capital has gone there to a considerable amount. Besides the mere banking business, we carry on exchange operations between the colonies generally and this country, and between the colonies themselves; and I think our transactions afford a fair inference that the amount of capital in the colony has increased. We have drawn on our bank at Adelaide since its commencement for about 25,000 *l.*; whereas, on the contrary, the drafts on us from the bank have only amounted to 12,000 *l.*; therefore, the stream evidently has been that way, as far as regards London. Then, between the colonies themselves, considerable capital has found its way there from the other colonies in Australia. I find that since its commencement the Adelaide branch drew on the other branches, which of course was for money paid to it, about 26,000 *l.*, and there was remitted from the other branches to Adelaide, which operated in the same way to increase the capital there, about 41,000 *l.*; whereas Adelaide remitted to the other branches only 15,000 *l.*, and the other branches drew on Adelaide for 6,000 *l.*, leaving the difference between 67,000 *l.* and 21,000 *l.* in favour of the Adelaide branch. These are the figures from which I draw my conclusion, that, as far as the operations of this bank are concerned, the presumption is that a considerable amount of capital has found its way there; and I know that a great deal of capital has gone from this country through other channels.

2063. With regard to the exchange operations conducted by your bank between Adelaide and the neighbouring colonies and the mother country, does it

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it appear that they have arisen more out of operations for transferring capital from one place to another than from any adjustments for the ordinary purposes of commercial business?—I believe more for the purpose of transferring capital.

2064. Then it would be a fallacious ground from which to infer what would be the foreign commercial operations with Adelaide if we looked only to those exchange operations that you have been describing?—Certainly; I have reason to know that the land-jobbing which has been referred to was not confined to the colonists, strictly speaking, of South Australia, but that speculations of this character took place in Sydney and in the older colonies. I feel satisfied that some of those inter-colonial transactions were for the purposes of jobbing in land. I believe that men came or sent from Sydney and from other places, who perhaps better knew how to manage these matters than the new colonists, and that some of those transfers of land, at a great enhancement of value, were made by the inhabitants of the older colonies. I think I can trace remittances going from Adelaide back to Sydney, which are nothing more than the profit which the jobbers made of the land.

2065. With regard to the capital which has been supplied from the other colonies for the purchase of land, how much of that do you think has been for permanent investment and improvement, and how much for jobbing and for speedy re-sale?—I think that very little that came from the other colonies was with a view to permanent investment.

2066. Are the bills of exchange on London discounted by your branch at Adelaide paid with punctuality at maturity, so far as you know?—Yes; all but the Government's.

2067. Do you hold any bills drawn upon the Government by the governor of the colony?—We do.

2068. Have they been dishonoured?—The whole of them.

2069. Have you returned them to the colony?—We have not.

2070. Why have you abstained from doing that which is customary with regard to bills so circumstanced?—That will require a short statement, if the Committee will give me leave to make it. In the first instance, before the establishment of a branch of our bank at Adelaide, we were applied to by the Colonization Commissioners to grant a credit in favour of their commissioner at Adelaide, and we replied that we would willingly do so upon their guarantee.

2071. *Chairman.*] Can you state the date of that application?—I have not got the few preliminary notes that passed between us, but the guarantee was dated the 27th of September 1837. We expressed our readiness to establish any credit upon the guarantee of the commissioners that the bills so drawn under their credit would be duly honoured, and we received a guarantee to this effect: "In reply to your letter of the 16th instant, stating your readiness to credit the drafts of the authorized officers of the commission, according to the form which you have received, to the extent proposed, viz. 3,000*l.* per annum, being 1,000*l.* per annum at each of the three establishments of the corporation, Sydney, Hobart Town, and Launceston, with the understanding that this amount may be exceeded as regards any one of the establishments, provided that the aggregate does not exceed 3,000*l.* per annum, on condition of your receiving a guarantee from the Colonization Commissioners for South Australia, to the effect that they will accept such drafts when presented in this country, we hereby give you, on behalf of the commissioners, the guarantee required to the extent named above. Signed, on behalf of the Board," (with the seal) "R. Torrens, J. Roberts," and countersigned by the secretary, Rowland Hill. Upon the faith of this we wrote to our manager at those three places, the Adelaide branch not then being established, giving this credit. We shortly after that, in January 1839, established a branch at Adelaide, and the governor, who I believe was the commissioner also, applied to our manager to have the credit transferred to that branch, and it was done accordingly. This is an extract from a letter of the manager of the Adelaide branch: "His Excellency the Governor has signified his desire that the credit established by the court in London in favour of the government here for 3,000*l.* per annum, to be negotiated through either the Sydney or the Van Diemen's Land branches, might be drawn for through this branch. Drafts to that amount during the year, issued

issued by the colonial treasurer, and countersigned by his Excellency, will be negotiated here accordingly, and the other branches advised of this arrangement." In pursuance of this arrangement, the first bill for 3,000 *l.* for the annual credit came home, and was paid by the commissioners; the second came, and it was refused acceptance.

2072. Can you state the date of the refusal?—We received the bills, I think, early in the month of November last, or the end of October.

2073. Do you still retain the bills in this country?—We do.

2074. Upon what ground?—Upon two grounds: first, because there was a strong expectation held out to us that they would be ultimately paid in this country; and the second ground was, that we believed there would not be any use in returning them to the colony, being satisfied that there were no means of paying them there.

2075. Mr. *Wood.*] Will you state what is the customary rate of discount in Adelaide, according to the practice of your bank?—On bills not having more than 100 days to run, at the rate of 10 per cent. per annum.

2076. For bills of a longer date what rate?—Twelve per cent.

2077. Why do you make that distinction between bills of a longer and of a shorter date?—In order to check the discounting of long-dated bills as much as we can without entirely refusing that accommodation.

2078. Does not the fact of your getting more per cent. per annum upon the longer date bills in preference, than upon the shorter, operate in the other direction, as being an inducement to the agent to discount those bills with a view to increase his profits?—I do not think it does, inasmuch as he does not participate in the profits.

2079. Though he may not participate in the profits, is not the satisfaction with which his services are viewed, likely to be affected, more or less, by the profitable results being larger or smaller?—No; because he knows perfectly well the opinion of the directors in this country, that it is their wish that the long-dated paper should be discouraged as much as possible.

2080. Have those rates been stationary during the whole time of the existence of your bank?—I believe at one time, though I am not quite certain, that discrimination was not made; that provided they were satisfied of the paper being good, they were all done at the same rate; and I think the rate was increased upon the long-dated paper, with the view of checking the discount of long-dated paper, by order from our Board here.

2081. With that exception, has your rate ever been higher than 10 per cent. per annum?—I think not.

2082. Has it ever been less?—Not at Adelaide.

2083. Then 10 per cent. per annum may be considered as the customary rate of interest for money when furnished for the discount of good bills?—Yes.

2084. Do you issue promissory notes, payable on demand, to serve the purposes of money?—Yes.

2085. What are the specific sums for which such notes are issued?—They vary; from 1 *l.* upwards.

2086. Is 1 *l.* the smallest sum for which you issue such notes?—Yes.

2087. Do you consider that sufficiently small for the purposes of the colony?—I do.

2088. Do you think the issue of paper money for smaller sums undesirable?—I do.

2089. Are you aware whether any notes are issued for smaller sums than 1 *l.* by any establishment in Adelaide, banking or commercial?—I do not know.

2090. The amount which you have in circulation in South Australia of such notes, according to the return which you have read to the Committee, is only 2,376 *l.* at the date of that return?—That was taken from a return dated the 16th of May 1840, which was a half-yearly return furnished to the governor there, according to the terms of our charter, but we have later returns.

2091. That was the actual amount of notes which you had in circulation of that description at that date?—It was.

2092. Can you account for the smallness of the sum? Do you conceive that it is adequate to the wants or the convenience of the colony?—I cannot account for it; but it is characteristic of the state of our bank in all the other colonies, where,

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where, as compared with banks of a similar character in England, the actual circulation of notes is remarkably small.

2093. Is it out of proportion to the circulation in the other colonies, judging from your knowledge, as derived from your branches in those colonies?—No, it is not out of proportion.

2094. It is as much as you should expect, judging from the amount in the other colonies?—Yes.

2095. Is it the practice of your bank generally throughout your branches to afford all the facility for the issue of such paper which the wants of the community appear to require?—Decidedly so.

2096. You do not check the issue of such notes?—No.

2097. You probably abstain from any undue exertions to force them into circulation?—Decidedly so; we have no particular anxiety to have a large quantity of paper in circulation.

2098. In your judgment, the amount of such paper which you issue generally in the South Australian colonies is sufficient for the purposes of the community, and not in excess?—I state it to be sufficient merely by analogy, with reference to the quantity of our notes in circulation in the old settlements of New South Wales.

2099. *Chairman.*] Is there any restriction by the charter upon the amount of your notes in circulation, or upon the value of those notes?—We are prohibited from issuing anything below 1 *l.*

2100. Mr. *Wood.*] Do you consider that a wise prohibition?—I do.

2101. Should you recommend it to be enforced hereafter, with respect to your own bank, or any others that may be established under charter?—It is in force with respect to our bank, and I think it a very wholesome regulation, and therefore that it ought to be enforced as far as practicable.

2102. *Chairman.*] You stated that you had subsequent returns from your branch at Adelaide; does it appear from those subsequent returns that any considerable increase had taken place at the date of them in the amount of notes in circulation?—There is an increase, but I do not think the increase bears more than an adequate relation to the quantity of discounts; by the return which I have put in, it appears that in May 1840 the circulation was 2,376 *l.*, and the discount and assets were 26,000 *l.*; by the last return which we have, of the 14th of September, the circulation was 3,144 *l.* and the discounts were about 42,000 *l.*; so that the increase is hardly in proportion, perhaps.

2103. Mr. *Wood.*] Referring again to the return you have given in, it appears that the deposits at the date of the return were 17,048 *l.*; can you state the nature of those deposits?—There are three classes: there are current accounts, which are payable on demand; deposit receipts, payable on 10 days' notice; and deposit receipts, payable at three months' notice; those are the three classes of deposits in our bank.

2104. Are any of them of the character of permanent investment, or is it a deposit for the security of capital, which will probably be wanted very speedily for land purchases, or commercial or other pecuniary undertakings?—I do not think any of them partake of the character of a permanent deposit.

2105. Has the amount of the deposits varied materially?—They have increased from the 16th of May 1840 to the 14th of September, about six months, from 17,000 *l.* to about 21,000 *l.*

2106. *Chairman.*] There seems during that period to have been an increase in all the figures?—Yes.

2107. Mr. *Wood.*] Do you allow interest upon any of those deposits?—We do.

2108. What is the rate allowed?—We allow at the rate of four per cent. per annum upon the current accounts; at the rate of five per cent. per annum for the deposit receipts at 10 days' notice, and seven per cent. upon deposit receipts at three months' notice.

2109. *Chairman.*] What do you charge upon overdrawn accounts?—That fluctuates from 12 to 15 per cent.

2110. On what principle is that fluctuation regulated?—I apprehend it is regulated very much by the nature of the party, upon the circumstances under which an account is overdrawn or a bill is past due.

2111. It is not regulated by the extent to which the account is overdrawn, but by the character of the party?—Very much. If the manager and directors are satisfied that it arises from some accidental circumstance, of course no change would be made.

2112. Mr. *Wood.*] Proceeding now to the assets; as stated in the return that has been referred to, it appears that at that date the stock of gold and silver was 8,581 *l.* Was that about the average amount of your reserve of gold and silver?—Yes.

2113. You conceive that sum to be adequate for all the purposes of your bank, as then existing?—Yes.

2114. Have you any established rule by which you maintain a certain amount of stock of precious metals?—We have a general rule, which is subject to slight variations according to circumstances; but we conceive that there should never be less than a fourth, and we generally inculcate upon our managers the expediency of maintaining one-third of the amount of their circulation and liabilities.

2115. In liabilities, do you include deposits?—Yes.

2116. From one-fourth to one-third of the whole of your liabilities, including all deposits, and including all notes in circulation?—Yes.

2117. You have stated that an important branch of the business of your bank is to conduct exchange operations between the colonies and the mother country, and between the colonies in relation to each other. Do you consider that a legitimate species of banking business for colonial banks?—Decidedly.

2118. Is it likely to form an important part of their general business?—It does form an important part. We were the only bank for a considerable time that could give the public that accommodation.

2119. Is your bank, having its general management in London, subject to those regulations which attach generally to joint stock banks founded in this country?—I think we have gone a good deal upon the Scotch system.

2120. The question referred to the liability to publicity?—We are bound to furnish returns to the Government by our charter.

Mr. *William Mann*, called in; and Examined.

Mr. *Wm. Mann.*

2121. *Chairman.*] HAVE you been in the colony of South Australia?—I have.

2122. When did you go there?—I went there in December 1838.

2123. How long did you remain there?—I remained there about three weeks or so.

2124. Where did you go from?—I went from Launceston, Van Diemen's Land.

2125. Did you come direct from the colony to England?—No, I resided in the other Australian colonies for some time afterwards.

2126. What was your object in visiting the colony?—To see if it was adapted for emigration; to see if it was a better colony than any other, as it was much cried up as being a fine country.

2127. Had you many opportunities of making observation as to the general adaptation of the colony for emigration during the three weeks you resided there?—Yes; I made it my chief employment.

2128. In what part of the colony were you chiefly resident?—At Adelaide.

2129. Did you go at all into the interior?—Yes; I went up to Mount Lofty, about 14 miles in the interior, where I had a view of the surrounding country.

2130. What opinion did you form with respect to the colony?—I formed the opinion that a great portion of it was bad land, and that it was let a great deal too high, and that the special survey system would take away all the good land, and leave the bad for those that came after.

2131. Do you mean that you formed an opinion that a great portion of the land comprised within the parliamentary colony was bad, or that a great portion of the land that came under your own observation near Adelaide was bad?—That which did come under my own observation I understood was some of the best in the province; and I formed the opinion that about four-fifths of the land in the province was bad.

2132. On what information did you form that opinion?—From my own actual observation.

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2133. Is that the land near Adelaide?—The land I saw.

2134. On what information have you formed the opinion that the land in other parts of the colony was inferior to that near Adelaide?—From everything I learned from those that travelled through the colony.

2135. What was the amount of the population at that time in the colony?—It was estimated then at between 4,000 and 5,000.

2136. You have not been there subsequently?—Not since then. I know that several people that went left it. I do not think there are any good means of ascertaining the population. Some went there, but they left for Port Phillip, and some returned by the same ship that they went to it. One returned in the vessel with me.

2137. Mr. *Vernon Smith.*] While you were in South Australia, what was the opinion you formed of the progress of the prosperity of that colony?—My opinion was that it would soon come to a stand-still for want of revenue, and that all the good land would be soon run over and the bad land would be left upon their hands; for they took a most uncommonly bad method, for a man might run his land up along a strip on both sides of the river, and leave the rest of the land all valueless to others.

2138. *Chairman.*] How much land had been then disposed of in the colony?—I cannot say what extent of land was then sold.

2139. Do you mean that it is your opinion that the greater part of the good land has been actually disposed of, and that what remains unappropriated is of an inferior description?—That in a very short time whatever was good would be run out; and indeed I stated so in a book I published.

2140. Are you able to state in a general way the proportion of land in the colony which you think not good?—I think about four-fifths of it is bad, very bad.

2141. With whom were you chiefly in communication when you were in Adelaide?—I was in communication with Mr. Gillies, the treasurer.

2142. Mr. *Vernon Smith.*] Were you able during your stay in South Australia to ascertain that four-fifths of the land was bad?—Four-fifths of what I saw was bad; and the general opinion was that even a greater proportion of it was bad.

2143. *Chairman.*] Besides Mr. Gillies, what other party did you communicate with competent to give you information as to the general character of the land in the colony?—Captain Walker, of the navy.

2144. Had he been employed in the survey department?—No; he became a merchant at Adelaide.

2145. Mr. *Vernon Smith.*] You do not speak from personal examination, you speak from report only?—I speak from what I saw.

2146. *Chairman.*] Had Mr. Gillies and Mr. Walker purchased land?—They had.

2147. Extensively?—Only town allotments, I believe, at that time.

2148. Sir *William Molesworth.*] Do you think that three weeks is a sufficient period of residence in a colony of that description to enable you to give a positive opinion upon the nature of all the land?—I only gave an opinion of what I saw; that is about 14 miles from Adelaide; and from the report of others, I heard that it was much worse further off.

2149. Lord *Mahon.*] Have you had any letters from this colony since you were there?—Not from South Australia; I have had some from Van Diemen's Land; I have property in Van Diemen's Land.

2150. Have you any means of knowing, by your communications from the other Australian colonies, whether any emigrants have gone from South Australia to the other Australian colonies?—Yes; I have seen paragraphs in newspapers, which stated that ships had left Adelaide with passengers for New Zealand.

2151. But you have no other information upon the subject?—No more than what I saw in newspaper paragraphs, stating that such a ship had left Adelaide for New Zealand with emigrants from thence.

2152. Sir *William Molesworth.*] Are you aware that any emigrants have gone from South Australia to New South Wales and Van Diemen's Land?—Not except what I saw stated in newspapers.

2153. Are you aware whether any emigrants have come from New South Wales and Van Diemen's Land to South Australia?—I am aware that some runaways went there.

2154. Are you aware whether any respectable persons went?—Some might, but very few.

2155. *Chairman.*] How long have you resided in Van Dieman's Land?—Upwards of six years in the colonies.

2156. When did you return to this country?—About a year and a half ago.

2157. Lord *Mahon.*] What is the average length of the passage between Adelaide and Van Diemen's Land?—We were about 10 days on the passage; it is sometimes effected in a shorter space of time.

2158. Is there any regular communication?—There is; a great number of ships go backwards and forwards.

2159. *Chairman.*] Are you aware what the amount of the population now is in South Australia?—No.

2160. Have you any specific information as to the state of the colony subsequently to your having left Van Diemen's Land?—None, except what I see by the public papers.

2161. Sir *William Molesworth.*] Then all your knowledge of South Australia is founded upon a residence in Adelaide for three weeks?—No, I do not say so, because I have had frequent communications with gentlemen that resided there, and the reports of travellers in that colony.

2162. Who are those persons?—I have stated them, Captain Walker, Mr. Gillies, and several other gentlemen.

2163. But since that period you have had no communication with the colony?—I have had no communication with the colony by letters.

2164. Mr. *Hope.*] Has not Mr. Gillies been dismissed from the situation of treasurer?—I understand so.

2165. Is not there a strong feeling of rivalry on the part of the colonists of Van Diemen's Land and New South Wales towards South Australia?—I do not think there is, because I think it would be for the interest of Van Diemen's Land that all the southern part of New Holland should be densely peopled.

2166. Does not it appear from the newspapers of Van Diemen's Land and New South Wales that a feeling of jealousy is entertained?—I do not think so, because they are good customers of theirs; they grow no wheat in South Australia, and they take their provisions from Van Diemen's Land.

2167. Lord *Mahon.*] Can you give the Committee any specific information as to the supplies of wheat from Van Diemen's Land?—I believe all the supplies of wheat they get are from Van Diemen's Land.

2168. To any considerable extent?—To a considerable extent; I do not think they had at that time 10 acres of land under cultivation.

2169. *Chairman.*] You are not aware what accounts have been received of the last harvest, and of the amount of land then under cultivation?—Not except by report; I understand very bad.

2170. Lord *Mahon.*] In any letter you have received from Van Diemen's Land, do you find any mention of the export of corn from that colony to South Australia?—I do not; I see by the public papers that there is a great export.

2171. Lord *Eliot.*] Are you of opinion that the statement of Colonel Gawler, that there are in South Australia extensive districts of rich and fertile land, is erroneous?—I will not pretend to say that Colonel Gawler is wrong, but I think it is a very highly-coloured description which you have read to me.

2172. Sir. *W. Molesworth.*] When you say that it is highly coloured, do you think that you are better qualified, from personal observation, to express an opinion upon the subject than Colonel Gawler?—I only speak from experience; I cannot say what Colonel Gawler has seen.

2173. Lord *Eliot.*] Are you accustomed to agricultural pursuits?—I am.

2174. In what state were the crops in the colony at the time you were there?—The only crop I saw in the colony was about two acres of wheat, and it was so thin that it was mowed with a scythe, and raked up by a labourer.

2175. *Chairman.*] Did you go to Mount Barker?—I went about half-way to it.

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2176. Lord *Mahon.*] Did you make any observation as to the mineral productions of the colony?—I got a few geological specimens; I have not got them here.

2177. Were they considered by competent persons to be promising?—I should think not.

2178. Captain *A'Court.*] Are you going out again?—No, not to that colony.

2179. Are you going out to Van Diemen's Land again?—Perhaps I may go to Van Diemen's Land again.

2180. *Chairman.*] Are you a proprietor of land in Van Diemen's Land?—Yes; I have property at Launceston, houses and lands.

2181. Lord *Fitzalan.*] Did you go to South Australia with the idea perhaps of settling there?—I went with the idea of looking at the land to see if it was so very good as was represented, that perhaps I might purchase.

2182. Sir *William Molesworth.*] Is there not considerable complaint in Van Diemen's Land of numbers of persons emigrating from Van Diemen's Land to other Australian colonies?—I do not think there have been many complaints; if wages are higher in any one colony, they will flock there.

2183. Mr. *Gladstone.*] With respect to the land upon which you say you saw so miserable a crop of wheat, do you think that land was a fair sample of the land in the colony?—Some of the best.

2184. *Chairman.*] On what do you found your opinion of the relative value of the land you saw, and of the land 100 miles from Adelaide?—I cannot say what the land is 100 miles from Adelaide.

2185. You did not go yourself beyond 14 miles?—No, but I was told that I went on the best part of it.

2186. Had those gentlemen that gave you this information been themselves in different parts of the colony?—I cannot say; I cannot say how far they had been.

2187. Lord *Eliot.*] Did the land generally appear to you better adapted for pastoral than for agricultural purposes?—Much better.

2188. Did you see any large flocks or herds?—No; at that time they were merely getting them across the country from New South Wales.

2189. Do you know the quantity of stock now in the colony?—I do not.

2190. Lord *Mahon.*] Is it not the case throughout all the Australian colonies that the land is better adapted for pastoral than for agricultural purposes?—I think so.

2191. Therefore it is possible that South Australia, even if the land should not be very productive of grain, might be very valuable for flocks and herds?—I should not think it will be very valuable; it might support some sheep certainly, but not very valuable.

2192. Lord *Eliot.*] Have you ever seen any wool the growth of South Australia?—No, I never have.

2193. Captain *A'Court.*] It was during the early formation of the colony that you were there?—They were two years settled when I was there.

2194. Were they not employed at that time in building houses, and had not turned their minds to agriculture?—There was very little agriculture.

2195. Lord *Fitzalan.*] Were you surprised at the advance they had made in building?—No, I was not; what I saw was a great number of huts, that I thought were very useless. They got into a manner of speculating upon town allotments, which I thought was very prejudicial to their own interests. If they had gone into the country and begun to cultivate, I thought they would do much better; they carried on a species of gambling in allotments, placing an ideal value on them which they did not really possess.

Jovis, 25° die Martii, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Howick.
Lord Fitzalan.	Lord Mahon.
Mr. Gladstone.	Mr. J. Parker.
Sir George Grey.	Mr. Vernon Smith.
Mr. Hope.	Mr. G. W. Wood.

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

Rowland Hill, Esq. called in; and Examined.

Rowland Hill, Esq.

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2196. *Chairman.*] WERE you the secretary to the late Board of Colonization Commissioners for South Australia?—I was.

2197. During the whole period of the existence of that Board?—During the period from its formation to September 1839.

2198. Did you take an interest in the early formation of the colony?—For some time previously to the formation of the commission I did; but I was not engaged in the very earliest attempts to form the colony.

2199. As secretary to that Board, were you conversant with all the plans and proceedings of the commissioners?—Certainly.

2200. Are you aware of the present condition of the colony as it respects its financial embarrassments?—I have only a general knowledge on the subject, such as I have gathered from the newspapers.

2201. Are you aware whether the commissioners originally contemplated the result which has taken place in that respect?—Certainly they did not.

2202. Can you state to the Committee whether they formed anything like an accurate estimate of the expenditure which would be requisite during the few early years of the colony on account of the government establishments of the colony; also on account of what may be termed its outfit?—Very careful estimates were made of the expenses of establishing and carrying on the government of the colony.

2203. Are you able to state what amount of expenditure was estimated by the commissioners under those respective heads?—I cannot state them separately; what may be called the expense of outfit formed part of the estimates for the early years of the existence of the colony, and was mixed up with the estimate of the expense of governing the colony.

2204. Was there any schedule of the expenditure which would be requisite delivered to Captain Hindmarsh, the first Governor of the colony?—Yes, there was; it was not delivered to Captain Hindmarsh, but to the colonial commissioner, Mr. Fisher.

2205. Will you state what the aggregate amount of annual expenditure comprised in that schedule was?—The amount of the annual expenditure was 6,958 *l.* 12 *s.*

2206. Did that include all the expenses which the commissioners considered would be requisite for the government establishments, and for the public buildings and works, which it would be requisite to undertake for the formation of the colony?—No, it did not. This may be considered as a statement of the current expenditure of the colony; in addition to that, there were certain expenses allowed for the erection of buildings.

2207. Then that schedule may be considered as comprising only the expense connected with the administration of the government of the colony?—And for conducting the surveys.

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2208. What was the estimated expense of the surveys?—I think at that time about 3,000*l.*

2209. Then about half that estimate was for the purpose of surveys, and half for the administration of government?—Not quite half; about 3,000 *l.* for surveys, and 4,000*l.* for government.

2210. Was that estimate merely for the first year, or was it an estimate of the expense that would probably be required during the first few years. Did the commissioners contemplate any considerable increase of expense under the head either of administration of government or of surveys?—They contemplated an increase of expense, but not an increase of drafts upon themselves. The arrangement made was this: the commissioners intended to make an allowance to the colony to the extent of about 7,000*l.*, at that time it being supposed that the revenues derived from customs would be very small in the first instance, but whatever sum would be obtained by taxes levied in the colony, that sum was to be applied to the government of the colony, in addition to the allowance.

2211. Are the Committee to understand your meaning to be, that that is not an estimate of all the expenditure that would be requisite, but only that portion of it which the commissioners would have to provide for by funds derived from loans in this country, leaving the balance to be supplied by the revenue which it was estimated would arise in the colony?—It was I believe estimated as the whole expenditure at first, because it was clear there would be little or no revenue at first; but as a revenue arose it was intended that the revenue should meet any increase of expenditure that might arise.

2212. Did the commissioners expect that any revenue that would shortly arise would be sufficient to meet the increase of expenditure, so that they should not be called upon to provide for a larger expenditure, than 7,000 *l.*?—Not exactly; they contemplated the possibility of occasional demands on them for certain expenses, but this was to meet the ordinary current expenditure.

2213. Mr. *Wood.*] They thought that they might raise in the colony the amount of any extraordinary expenditure, in addition to that?—Yes.

2214. Can you form any estimate of the amount of those extraordinary expenses?—No; there was no attempt to do that.

2215. Nor any provision made for them?—A provision was made to meet them.

2216. To what extent?—The commissioners raised a loan to the amount of 80,000 *l.* in the early stage of the progress of the colony, which was with a view of meeting any expenses that might arise.

2217. *Chairman.*] Was the Governor authorized to expend a certain limited sum only on public works and buildings, or was the amount left to his own discretion?—There was, if I recollect rightly, nothing left to his discretion; he was limited as to the amount.

2218. Was the amount within which he was restricted for the erection of public buildings or works in addition to that schedule of the colonial expenditure?—The chief expenditure was incurred in this country. The materials for erecting the public buildings were sent out from England in as finished a state as possible, the doors and windows being made ready for use. A certain estimated allowance was made for putting the materials together, and the colonial commissioner was instructed to obtain from the Governor estimates from time to time of any further expenses, and to send them to England for approval by the commissioners, but he was desired not to incur any expenses, except for the prevention of destitution, unless they had previously been allowed by the commissioners.

2219. Lord *Mahon.*] When you state that no discretion was left to him, was there not a sum placed at his disposal in the event of unforeseen difficulties?—There was a sum placed at the disposal of the Governor in the early stage of the colony. I understand all these questions as referring to the early stage of the establishment of the colony, when, as far as I recollect, there was no discretion of the kind. The Governor took out with him 1,000 *l.* in specie, which was intended to meet unforeseen demands, in addition to which, the Colonial-office gave instructions to the Governor of Van Diemen's Land, and I think also to the Governor of New South Wales, to afford assistance in case of absolute necessity.

2220. Was that Governor Hindmarsh?—It was; I am speaking of the first formation of the colony.

2221. Had not Colonel Gawler, on proceeding out to South Australia, a large discretionary power to draw for money in the event of unforeseen difficulties, such for example as a famine?—He had.

2222. To what extent?—I believe the credit was to the amount of 5,000 *l.*; it was a discretionary power, which was only to be used in extreme cases, such as a famine, or the destruction of the town by fire.

2223. Can you state what was the amount of expense incurred on account of the materials sent out from hence at the first formation of the colony?—I think about 2,000 *l.* or 3,000 *l.*

2224. Are you aware that a very large expenditure has taken place in the erection of public buildings, and in the survey department?—I have understood that such is the case.

2225. Are you aware that long before the dissolution of the late Board of Commissioners the expenses of the survey department had amounted to a very large sum?—I am aware that they had greatly exceeded the estimated amount.

2226. Do you know a paper called The South Australian Register?—I have occasionally seen it.

2227. It is a paper published in the colony?—Yes.

2228. Is it a paper of any authority?—I really cannot say what reliance is to be placed upon its statements.

2229. There is a statement in that paper of the 18th of July last, in which there is this passage: "Many of our readers remember the utter disorganization of the entire survey department which existed on the arrival of Colonel Gawler, and we need not recal the sufferings that were endured, or enumerate the losses that were sustained, by the impossibility of providing land for the numerous persons who had purchased it in England, and who had embarked for the province, relying upon the assurances of the Colonization Commissioners that they would be placed in a position to settle on their farms immediately on arrival. When it was found that there was actually no surveyed land to give them, their disgust and disappointment exceeded all bounds; discontent and grumbling broke out into open clamour, and at this moment the province is still suffering in England from the effects of the representations of individuals made at that time, under the influence of the feelings we have described. The Governor saw the danger at once; he also saw that to save the colony from ruin, and the faith of the commissioners from irredeemable violation, their urgent demands must be satisfied, and that, *coûte qui coûte*, land must be provided forthwith." Are you aware whether complaints of the nature referred to here had reached the Colonization Commissioners during the time that you acted as secretary to the Board?—Certainly they had.

2230. To what do you attribute the fact that settlers went out from hence in the expectation that they would be put immediately on their arrival in possession of the land which they had paid for a very great length of time before that expectation was fulfilled?—I attribute the expectations of parties that they would be put in possession of the land to the circumstance of the commissioners having always declared that it was their intention to adopt measures to keep the surveys in advance of the demand for land, and of their having done their best to carry that intention into effect; the disappointment arose from the inefficiency of the surveyors first sent out.

2231. Do you attribute it entirely to the inefficiency of the surveyors, or to the insufficiency of the sum of 3,000 *l.* per annum, which was allotted by the commissioners to the survey department?—I attribute it rather to the inefficiency of the parties than to the small amount allowed.

2232. Then do you think the amount of 3,000 *l.* a year would have been sufficient if efficient persons had been selected to conduct the survey department?—I certainly am of opinion that it would have been sufficient.

2233. By whom are those persons selected?—They are selected by the commissioners.

2234. Did they undergo any examination previously to their appointment to that department?—Yes; they all, I believe, underwent some examination, except the heads of the department.

2235. By whom was that examination conducted?—The examination was conducted chiefly by the gentleman who was second in command, Mr. Kingston, but

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but Colonel Light, who was at the head of the department, was called upon to make an examination, and he reported that he was satisfied with the strength of the party placed under his control.

2236. Are the Committee to understand that no person was actually admitted without some examination by one or other of those officers?—I think I could not speak quite so strongly as that; I cannot say absolutely that no one was admitted without examination. No one was admitted without either an examination or testimonials, which were considered sufficient evidence of his fitness.

2237. *Chairman.*] The article in the paper which has been just referred to goes on to state that the survey establishment boasted "only of one or two efficient surveyors, without instruments, means of transport, or materiel of any description." Is that a correct description of what the survey department was at the time that Colonel Gawler undertook the government of the colony?—I think it is an exaggerated statement; at the same time, I fear that there is very considerable truth in it, the surveyors having lost or destroyed, accidentally, I believe, a very large portion of the instruments they carried out.

2238. Were they provided by the commissioners with instruments and means of transport, and the necessary materials for conducting the surveys, or were they expected to provide those at their own expense?—They were supplied by the commissioners with instruments, and to a certain extent with the means of transport; but I think it very probable that the means of transport supplied were insufficient.

2239. Do you know how much land had been surveyed up to the time of the dissolution of the late Board, or up to the time of your connexion with it ceasing?—No, I have no certain knowledge of that; but a very considerable extent.

2240. Do you know the expense which had actually been incurred on account of the surveys up to that period?—No.

2241. Do you think that the sum of 3000 *l.* a year, during the period of rather more than three years that you were connected with the Board, would have been sufficient, if properly administered, to have defrayed all the expense of the land actually surveyed up to that time?—Certainly I do.

2242. You think, in fact, that a sum of between 9,000 *l.* and 10,000 *l.* would have defrayed the expense of surveys up to that time?—Amply sufficient.

2243. Were the surveys, up to that time, sufficiently in advance to meet the demands of the emigrants who had gone out on the faith of being put in possession of their lands?—Certainly not.

2244. What additional expense do you think would have been requisite to bring the surveys up to that point?—My opinion is, that the allowance was sufficient if the persons employed had been active and efficient.

2245. Do you think, then, that a sum of between 9,000 *l.* and 10,000 *l.* would have been sufficient, not only to defray the expense of the land actually surveyed up to that time, but also to defray the expense of surveys sufficient to meet the wants of the emigrants upon their first arrival?—Certainly.

2246. You are not aware of the amount which has been actually expended upon surveys up to the present time?—No, I have no knowledge of it; I should mention that the allowance for surveys was considerably increased during the time I was with the commission.

2247. To what extent was it increased?—To the extent of about 6,000 *l.* a year.

2248. Do you think that increase would have been necessary if the sum originally allowed had been properly administered by official surveyors?—I cannot say that, because there was a great and unexpected increase in the demand for land; I think the original allowance was amply sufficient at the time, but the demand for land became so much greater than the commissioners calculated upon, that an increased allowance became necessary.

2249. Can you state what the surveying staff originally sent out consisted of?—I think it consisted of 10 or 11 surveyors, and an adequate number of labourers.

2250. To what extent was it increased under the authority of the commissioners?—I do not think there was any great addition made to the numerical strength of the staff, but higher salaries were given, and there was a greater allowance made, if I recollect rightly, for the cost of transport.

2251. What was the nature of the survey which they were directed to make; was

was it a trigonometrical survey or a running survey?—They were directed to make both. In the first instance, when Colonel Light went out, the nature of the survey was left very much with him, and he commenced a trigonometrical survey, filling up the survey in the ordinary manner with the chain; but when the commissioners found that the survey was making very little progress, and when Colonel Light reported that with his present strength it would take a very long time (I think three years) to survey a sufficient quantity of land to meet the demand of the first settlers, the commissioners sent out instructions to have a running survey executed, which was afterwards to be checked and rectified by trigonometrical admeasurement.

2252. Was there any understanding or agreement between the commissioners and the emigrants as to the nature of the survey to which the emigrants would be entitled?—Not that I am aware of.

2253. It was not understood as between the commissioners and the emigrants whether it should be a trigonometrical survey or a running survey?—No.

2254. Lord *Mahon*.] Was there any difference at any time in the quantity of land which entitled the purchaser to a special survey; was it always 4,000 acres?—Always 4,000 acres.

2255. From the commencement?—Yes.

2256. *Chairman*.] Are you of opinion that the expense of the surveys, whatever it may amount to, ought to be defrayed out of the general revenue of the colony, or that it ought to be a primary charge upon the proceeds of the land sales?—I think it is a matter of very little consequence which it is charged upon, provided the amount is kept within moderate limits.

2257. You are aware, of course, of the provision in the first Australian Act, by which the gross proceeds of the land-sales are applicable to emigration exclusively. Do you think it is desirable to adhere to that provision, or that it would be preferable to charge the expense of surveys upon the land-sales, leaving only the net proceeds applicable to the purposes of emigration?—I think it very important that the sum to be devoted to emigration should be a definite sum per acre, and consequently it would be difficult to charge the proceeds of the land-sales with the actual cost of the survey. I see no serious objection, perhaps no objection at all, to making an estimated charge upon the proceeds of the land-sales for the purpose of the surveys, such a charge, for instance, as 1 *s*. an acre.

2258. Do you mean that you would charge 1 *s*. an acre additional to the purchaser in order to defray the expense of the survey, or that you would deduct 1 *s*. from the 1 *l*. which he pays for his land?—I see no objection to deducting it from the price of the land.

2259. That would, in fact, be to render the net proceeds, not the gross proceeds, applicable to emigration?—Yes, but defining the net proceeds. I see no objection to charging upon the price of the land a certain definite sum to be carried to the cost of the survey.

2260. Would not you fix that definite sum with reference to the estimated expense of the survey?—Yes.

2261. And you think five per cent. would be sufficient for that purpose?—A shilling an acre, I think, would be sufficient. The price of the land, of course, would not affect the cost of the survey.

2262. Assuming the price to be that fixed in the Act of Parliament, 20 *s*. an acre, you think five per cent. deducted from that would defray all the expense of the surveys?—I think it would.

2263. Do you know what the amount of the actual expenditure on account of the government establishments was before you ceased to hold the office of secretary to the Board; had it, in fact, exceeded the schedule given to the resident commissioner on the first formation of the colony?—The expenditure, so far as the commissioners were aware of it, had exceeded the estimate, but in a slight degree only.

2264. What did the revenue amount to at the end of the first three years of the existence of the colony?—I think it was at the rate of about 15,000 *l*. or 20,000 *l*. a year at that time.

2265. You stated that you have no accurate information as to the present financial embarrassments of the colony, or the cause of them?—I have no information beyond that which every one else who has paid any attention to the subject possesses; I understand that the cause is the present resident commis-

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sioner having exceeded the estimated allowance for the expenses of government in the colony.

2266. Are you sufficiently acquainted with the nature of the expenditure incurred by him to state whether you think that it was for the advantage of the colony?—I certainly do not think it was to the advantage of the colony, inasmuch as the expenditure has far exceeded the means of the colony.

2267. With reference to that expenditure, it is stated in the South Australian Register: "On the general propriety of that expenditure, so far as connected with the public works in the town, at the harbour, and on the roads, there is but one feeling of approval among the colonists." Do not you think that the feeling which so prevailed was probably founded upon an impression that it was for the advantage of the colony that that expenditure should be actually incurred?—As far as I know, the greater part of the expenditure would have been very properly incurred, had the revenue of the colony been sufficient to meet it. I have no doubt the colony will be benefited ultimately by the greater part of the expenditure.

2268. Do not you think that some considerable expenditure on account of public works, take for instance a gaol, the improvement of the harbour, and works of that nature, must have been necessary during the first few years of the colony?—I think that such an expenditure was highly desirable.

2269. Can you state what provision was made for meeting expenditure of that nature, and to what extent, so that the Committee may be able to judge to what degree the expenditure has been excessive, as distinguished from what was indispensably necessary?—The principle upon which the commissioners proceeded was this: they said to the resident commissioner, We cannot estimate the necessary expenses which will be incurred in these several departments, but we will make you a certain definite allowance, and you will employ that and the proceeds of the taxes in the colony in meeting the demands upon the colony; therefore the resident commissioner was not precluded from an expenditure upon public works, though no exact provision was made for such expenditure.

2270. Are you aware what the expense of the police department has been?—I have understood that it was very heavy; but though the resident commissioner was instructed to forward half-yearly accounts of his proceedings, and quarterly accounts of the expenditure, up to the time that I left the commission none of those accounts had been received.

2271. Can you account for that deficiency of accounts?—I believe that it arose during Colonel Gawler's time, from the confused state in which he found the several public departments on his arrival in the colony.

2272. And which he was endeavouring to rectify?—Which he was making his best efforts to rectify, as far as I am aware; whether the accounts are still in arrears I cannot say.

2273. Do you attribute that great deficiency of proper accounts in the early period of the colony to the divided authority of the governor and the colonial commissioner, or to what other cause?—I think a great part of it is attributable to that cause; I think it is also partly attributable to the peculiar circumstances which confined the choice of public servants, both on the part of Her Majesty's Government and the commissioners, to a comparatively small number of individuals.

2274. Captain *A'Court.*] Were not Mr. Fisher and Mr. Gillies, the two first treasurers, both found very irregular?—Mr. Fisher was the colonial commissioner, and Mr. Gillies the treasurer.

2275. They were both irregular?—Very much so indeed, as far as I can judge; they did not send the accounts which they were from the first instructed to send.

2276. Mr. *Wood.*] To what do you attribute the apparent ineffectiveness of so many of the persons sent out to administer the affairs of the colony?—I attribute it to the circumstances I have mentioned; viz. to the divided responsibility, and to the choice being very much confined; in the first instance it was necessarily confined to those who were going to the colony.

2277. Did that arise from negligence in the selection, or from circumstances over which the commissioners could have no control?—From circumstances over which the commissioners could have no control; the greatest possible care was taken in the selection, as far as I had an opportunity of judging.

2278. Is not that a circumstance that tends strongly to show the inexpediency of founding a colony upon this basis?—I conceive there can be no doubt of the inexpediency of founding a colony precisely upon the arrangements which were adopted with reference to this colony.

2279. Lord *Fitzalan.*] When you say that you were obliged to suggest officers from a very limited number of individuals, in what way was the number limited?—It was limited thus: The provisions of the Act prevented the commissioners from taking any steps for the purpose of exploring the colony, or surveying it previously to the departure of the first emigrants; and the number of persons who would be willing to go to an unexplored colony of course would be comparatively small; there was a considerable risk attending it.

2280. Mr. *Wood.*] Did the divided responsibility arise from an oversight in the arrangement, or from accidents which could not be controlled?—I think it arose from an oversight on the part of the Legislature; it was created by Act of Parliament.

2281. *Chairman.*] What remedy would you now propose for that?—I think it exceedingly desirable that the responsibility should no longer be divided in the manner it has been, between the commissioners and Her Majesty's Government; I would throw it entirely upon one, or entirely upon the other, especially the financial control.

2282. On which would you throw it?—I am inclined to think that it would be better to throw it upon the Treasury.

2283. You mean, that you think it would be desirable to place the finances of the colony under the same control, on the part of the Treasury, which is exercised in respect of other colonial possessions of the Crown?—I do.

2284. Mr. *Hope.*] For the original appointment of the treasurer and the different parties, were the commissioners at home alone responsible, or was there any divided responsibility in those appointments?—Yes, there was, to some extent, a division of responsibility; the colonial commissioner, for instance, though acting under the instructions of the commissioners at home, is, by the Act, appointed by the Crown.

2285. Therefore, you conceive there was a division of responsibility between the Colonial-office and the commission before the union of the two offices of governor and colonial commissioner; you conceive, in fact, that the Crown were partly responsible for the acts of the colonial commissioner?—Yes; at the same time, I should state, in fairness, that the individual appointed to that office was recommended by the commissioners to the Crown.

2286. Was not the appointment left entirely to the commissioners?—No, I think it was not.

2287. Was not the appointment made entirely upon their recommendation?—I have no means of judging. The commissioners recommended Mr. Fisher, and he was appointed by the Crown, whether entirely upon their recommendation or not, of course I am not able to state.

2288. Mr. *Wood.*] Did the commissioners recommend all the public officers who were appointed?—I am not aware whether they recommended the first Governor or not; they certainly acquiesced in his appointment, but I think they did not recommend him.

2289. *Chairman.*] Are there any other alterations or modifications of the original South Australian Act which you think desirable?—I am afraid I have not the provisions of the Act sufficiently in my mind to answer without consideration. That which has been mentioned appears to me to be the most important point.

2290. Mr. *Wood.*] The colony was professed to be formed upon the self-supporting principle?—It was.

2291. When you first became connected with its administration as secretary to the commissioners, did you yourself believe that it would be able to support itself entirely upon that principle?—Most certainly.

2292. Do you remain of that opinion now?—I do.

2293. To what source do you look for supplying the capital requisite for providing the necessary original outfit, and for the annual current expenses, which, as you have said, must have attached to the colony in its earlier years before there was sufficient revenue to meet such expenses?—To the source provided by the Act, to a loan.

2294. On what security was that loan to be borrowed?—On the security of the

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the future revenues of the colony, and those failing, on the security of the unsold land.

2295. Do you think that the requisite sum could have been borrowed at a reasonable rate of interest on such security?—I think that had the Legislature afforded the colony that assistance which might have been afforded without at all interfering with the self-supporting principle, a loan might have been raised at a very low rate of interest.

2296. What is the nature of the assistance you contemplate on the part of the Government?—I think it would have been judicious, previously to the passing of the Act, for the Government, at its own cost, to have explored the colony, and to have ascertained beyond all doubt whether or not it was an eligible place for colonization, and to what extent there was available and fertile land, and also what would have been the best site for the capital.

2297. Do you consider, then, such undertakings and the incurring such expense on the part of Government to be a necessary preliminary measure to an attempt to found any colony on the self-supporting principle?—I do not consider it absolutely necessary, but I consider it highly desirable.

2298. Was it necessary in this case?—I think the colony, but for the unfortunate extravagance of the colonial government, would have maintained itself and have paid off its debt without that assistance.

2299. Then such original survey, carried on at the expense of the Government, you do not consider to have been necessary?—I before stated, that I do not consider it absolutely necessary, but highly desirable.

2300. You are of opinion, that had the affairs of this colony been judiciously administered it was competent to support itself upon the self-supporting principle, including those expenses of the original survey to which you have been alluding?—Certainly.

2301. From what source should you have derived the necessary capital for the outfit and early expenses?—I have already stated that I would have derived it from the source pointed out by the Act of Parliament; I would have raised a loan, and then waited till the colony was in a position to pay off the loan.

2302. Could such a loan, in your opinion, have been obtained at a reasonable rate of interest upon the security of the colony alone, so circumstanced as you have last described?—The rate of interest paid by the commissioners was a very high rate of interest; it was a high rate of interest, because parties were called upon to advance money in ignorance of the extent of the security; they were called upon to run a great risk. Had the security been known, the money would, in my opinion, have been advanced at a moderate rate of interest.

2303. Was it a higher rate of interest than was necessary under the circumstances?—I think not; one of those circumstances being that the public was in a state of uncertainty as to whether there was a good harbour, and as to whether there was any very great extent of fertile land.

2304. Was it a higher rate of interest than it was judicious for the commissioners to borrow money at for the purposes intended?—The commissioners borrowed the money at the lowest rate of interest at which they could obtain the money, and therefore the only question for the commissioners was this shall we give this rate of interest or shall we abandon the colony? My opinion is, that the commissioners were wise in preferring to found the colony even under that disadvantage.

2305. The object of these questions has been to ascertain whether it is your opinion that the colony would have been founded and carried on prosperously upon the self-supporting principle, understanding by that principle that there should be no outlay whatever on the part of the Government. You were understood to say that you thought it might?—I still say so,—I think it might have been.

2306. That would involve the borrowing a considerable sum of money on the part of the colony?—Yes.

2307. On the security of the unsold lands?—Yes.

2308. Do you think that on such security an adequate supply of money could be borrowed at a rate of interest sufficiently low to make it prudent for the commissioners to borrow money upon those terms?—I do.

2309. What would be the rate of interest?—The rate of interest at which the first loan was raised was 10 per cent.; the rate of interest at which the second

second loan was raised was about seven per cent.; and I feel confident that had the commissioners thought proper to raise a loan about the time that I quitted their service, they might have obtained one at five per cent. with perfect ease.

2310. Then you consider that there would be no want of means of borrowing whatever sum was necessary for founding a colony upon this principle?—I think that the sum might have been borrowed; but it is manifest that the higher the rate of interest paid, the greater the difficulty of founding the colony, and the greater the risk of wrecking the self-supporting principle.

2311. Do you consider that British capitalists would be likely to lend money upon the security of unexplored lands, unproductive of income, to an extent sufficient for founding colonies, and for carrying on their government in their earlier stages, at a rate of interest which such a colony, from its future resources, could defray?—I can only answer, that money was lent under those circumstances. I think it very undesirable to make another attempt to found a colony under the same circumstances.

2312. Do you consider this colony to have been successful with regard to borrowing money, and to their having obtained a sufficient supply for the purposes necessary?—I think the colony, 18 months ago, at the period I left the commission, was then in a very successful state.

2313. To what do you attribute its present embarrassments?—To the disobedience of the colonial commissioner to the instructions of the commissioners at home as to the expenditure of money.

2314. To that circumstance alone?—Other circumstances may possibly have increased the embarrassment, but that is the chief, if not the only circumstance which occurs to my mind.

2315. What other circumstances do you consider as having increased the embarrassment?—I do not call to recollection any other.

2316. Then you attribute it solely to the non-obedience to orders on the part of the colonial commissioner?—No, I do not attribute it solely to that cause; that is the only cause that is now present to my recollection, but I cannot say that I exclude all other causes.

2317. You consider that the chief?—Undoubtedly.

2318. In that non-obedience to orders, do you consider that he has not been more or less justified by inevitable circumstances?—I consider that he has not been justified at all by the circumstances.

2319. If the orders given had been fulfilled, do you consider that all the existing pecuniary embarrassments would have been avoided?—Certainly.

2320. Mr. *Hope*.] Have you seen the report drawn up by Mr. Parker to the Lords Commissioners of Her Majesty's Treasury?—I have not.

2321. Will you turn to that report, and have the goodness to read the passage now pointed out?—"Mr. Fisher, the first colonial treasurer, unfortunately set the example of these irregular proceedings; and at length, upon an inquiry being instituted, was removed, under circumstances of such grave suspicion, that, had he possessed any property, legal measures would have been adopted to recover the sums for which he had rendered no account. Mr. Fisher was succeeded by Mr. Gillies, who appears to have been also most irregular; but from the original connexion of this latter gentleman with the promoters of the colony, and certain alleged services rendered by him in its formation, there was a great indisposition on the part of the Governor, Colonel Gawler, to remove him, which indisposition seems fully to have been felt by the commissioners at home."

2322. As you were connected with the commission from the beginning, can you state what the services were which were rendered by Mr. Gillies?—The services rendered by Mr. Gillies were great activity in promoting the sales of land.

2323. Mr. *Vernon Smith*.] What do you mean by activity in promoting the sales of land; by advertisements, and what is called puffing?—No; I cannot admit that there was any puffing; by making known to his friends the advantages held out by the colony, and inducing them to become purchasers of land. By one of the provisions of the Act of Parliament the commissioners were required to sell 35,000 *l*. worth of land before they took any measures with a view to colonization, and I need not point out to the Committee that it was a very difficult task to perform.

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2324. Was Mr. Gillies an agent for conducting the sales?—No, he was not an agent; he did it without any remuneration.

2325. How was he employed by the commissioners?—He was employed as a volunteer. The parties about to proceed to the colony were in the habit of meeting at the rooms of the commissioners and affording their assistance in promoting the sales of land, and in making the necessary preparations for establishing the colony.

2326. Lord *Mahon.*] Have you been able to form any opinion as to how far it will be necessary in future to apply the whole of the land fund of the colony to the purposes of emigration, or how far a portion of it might be used for other purposes?—I think it will depend entirely upon the price put upon the land; if the price is not higher than it now is, 1 *l.* per acre, I should consider it very unwise for the colony to apply any considerable portion to other purposes than emigration; but if the price be advanced, a portion of that price might be so employed, I conceive.

2327. If the price were increased, do you conceive that it would be possible to devote a portion of the land fund to clear the colony from any burdens that it may undertake for the relief of its present difficulties?—I cannot answer that question decidedly; it is one that requires a good deal of thought; but my present impression is, that there would be considerable unfairness in employing any considerable part of the price of the land which may be sold hereafter in discharging claims upon the colony which have already arisen, inasmuch as no advantage would be derived by the purchasers from the fund so employed.

2328. Do you concur in the opinion which has been expressed by Mr. Angas, that it would have been undesirable that emigration to South Australia should have gone on this winter to the full extent of the land fund?—I am not able to judge whether it would be desirable or undesirable, inasmuch as I am not now acquainted with the state of the colony. I think that up to the time when I ceased to be connected with South Australia the emigration, though very rapid indeed, was by no means too rapid.

2329. And you have no reason to suppose that it has since become so?—I have no reason to suppose that it has since become too rapid; on the contrary, I should feel certain that the number of emigrants sent the last twelvemonth is very much less than was desirable.

2330. Mr. *Gladstone.*] You spoke of the disobedience of the resident commissioner to instructions sent out from home as a great cause of the present embarrassments; did you allude to the present resident commissioner, Colonel Gawler, exclusively?—Yes; there was a want of attention on the part of the previous commissioner also, but he did not exceed his authority to the same extent that Colonel Gawler has done, as I am informed.

2331. Is it your opinion that the circumstances in which Colonel Gawler found the public departments of the colony, especially the surveying department, form no apology or justification for any part of the excess of expenditure which has taken place under his administration?—That certainly is not my opinion; I think that a considerable portion of the excess of expenditure under Colonel Gawler's administration of the affairs of the colony has arisen from previous mismanagement and neglect.

2332. In saying, therefore, that the disobedience of the resident commissioner has been the cause, you do not mean to say that it would have been practicable for him, under the circumstances, to confine himself within the letter of his instructions?—Within the letter of his instructions he might certainly, because his instructions were of this nature: we limit you to a certain expenditure, but if circumstances arise which render a greater expenditure necessary, submit those circumstances to our consideration, and if we approve of such expenditure we will authorize it.

2333. Do you think it would have been practicable for Colonel Gawler to confine the expenditure of the colony, from the time of his assuming the functions of government, within the limits of its revenue?—Certainly not, understanding by the question the revenue raised in the colony.

2334. The ordinary revenue is distinguished from the land fund?—The revenue to be applied to the purposes of government may be considered as consisting partly of the proceeds of taxes in the colony, and partly of the sums borrowed in this country by the commissioners. I think it would have been impossible

impossible for the colonial commissioner to have confined his expenditure to the proceeds of the taxes in the colony, but that it would have been very possible to have confined it to such a sum as might have been made up of those proceeds and the allowance made in this country by the commissioners put together.

2335. You come then to the conclusion, that in a considerable part the expenditure which Colonel Gawler has incurred has been superfluous, or might have been avoided?—I am very decidedly of opinion that it might have been avoided; that it should have been, at all events, postponed till the circumstances of the colony were such as to justify a large increase of expenditure.

2336. Can you state which part of the expenditure might have been postponed?—I am informed, whether correctly or not I cannot say, that a sum of about 25,000 *l.* was expended in the erection of a government-house and other public buildings; I think, under the circumstances of the colony, such an expenditure as that was exceedingly unwise.

2337. Are you aware whether there is any other portion of the expenditure for which there was not an urgent necessity?—I have very little knowledge of the items of the expenditure; those difficulties had not arisen at the time that I was connected with the commission, and since then I have, of course, had no means of judging, except the statements in the public papers.

2338. What was the exact date of your ceasing to be connected with the commission?—September 1839.

2339. When you say that the difficulties had not arisen at that period, do not you think that it would be more accurate to say, that the difficulties, so far as they had arisen, had not been fully made known to the commission?—I think they had arisen in part, but were not known in England; but I believe that the chief expenditure was since that period.

2340. Do not you believe that when Colonel Gawler got out to the colony he found that there was an urgent necessity for a large and immediate expenditure, both under the head of survey and of police?—I have no doubt that there was a necessity for a large expenditure under the head of survey, and a large expenditure under the head of survey was authorized by the commissioners very soon after Colonel Gawler left this country. As to the police, I am quite unable to give an answer upon that question. I do not know what the circumstances of the colony with reference to its police were.

2341. Was there not considerable danger, with respect to the subject of survey, that the reputation of the colony might suffer very greatly in this country from the backward state in which the emigrants upon their arrival found the surveys, and from the reports that they sent home in consequence?—There is no doubt that the reputation of the colony had suffered exceedingly from that cause, and that it would have suffered still more but for the measures adopted by Colonel Gawler.

2342. Mr. *Wood.*] Was Colonel Gawler appointed before your connexion with the commissioners ceased?—Long before that.

2343. Inasmuch as you attribute the present financial difficulties to Colonel Gawler's non-attention to his instructions, the commissioners who selected Colonel Gawler as resident commissioner are in some degree responsible?—Undoubtedly.

2344. Were you correctly understood to say that you think none of the existing embarrassments arose from anything that had occurred in the commission previously to your ceasing to be connected with it?—I think I have not said that; if I have been understood by the Committee to make such a statement as that, I have been misunderstood.

2345. Then the embarrassment which now exists is in part owing to what occurred previously to your ceasing to be connected with the administration of the affairs of the colony?—No doubt it is.

2346. When you state that your confidence in the self-supporting principle is undiminished by anything that has occurred, in what degree do you contemplate allowing Government interference in the management of the finances of the colony?—I am not aware that I have stated that it is undiminished.

2347. From what has occurred with reference to South Australia, is your confidence in the self-supporting principle diminished?—It appears to me that the experiment which has been tried with reference to South Australia shows

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that some of the provisions of the Act were objectionable, but that if the experiment were to be repeated with some modification of the arrangements the results would almost certainly be successful.

2348. Are those objectionable provisions such as have only shown themselves since the experiment has been tried, or are they such as might reasonably have been avoided if due consideration had been given to the subject beforehand?—I think they were not such as could, under ordinary circumstances, have been foreseen.

2349. Then the making an experiment, and the failure of that experiment, seems to have been necessary to enable us to arrive at right conclusions as to the plan upon which it was expedient to found a colony upon the self-supporting principle?—I have not admitted that the experiment has failed even in South Australia.

2350. Failed to the extent to which it has, in not being able to support itself without aid from the Government?—Perhaps I am not sufficiently acquainted with the present state of things; I certainly am not aware that that fact is established.

2351. Are you aware that Parliament has authorized a loan to the extent of 156,000 *l.* to relieve the colony from its present pecuniary embarrassments?—I understand that such is the case; but if the colony should hereafter be able to discharge that debt as well as the previous debt, I conceive that it may still be considered as having supported itself.

2352. Does not that answer amount to this, that if it is able to support itself, it will show that it can support itself?—No; I conceive that if I lend a tradesman a sum of money, and he pays it to me back again, he may still be said to have supported himself.

2353. How will the case be if the colony should not be able to pay this money?—Then, certainly, the self-supporting principle will have failed as regards South Australia.

2354. Can that be said to be self-supporting which cannot get on without having a large amount of extraneous pecuniary aid?—It depends upon whether you use the term indulgently towards the colony or otherwise.

2355. How do you interpret the phrase "self-supporting"?—Looking at the experiment indulgently, I should say that if the colony should hereafter be able to discharge the whole of the obligations upon it, it may be considered as having supported itself, notwithstanding the temporary assistance from the Government.

2356. You mean that it ought to repay the necessary advances on its behalf, provided that it has the means of doing so, hereafter?—Certainly, unless the self-supporting principle is abandoned.

2357. Do you contemplate, in any colony so founded, the probability of Government aid being requisite, more or less, at particular periods?—I consider that it is very desirable that in any colony Government aid should be afforded from time to time; I merely hesitate to acknowledge that such assistance is absolutely necessary. My opinion, confirmed by the experiment with regard to South Australia, is, that it is possible to establish a colony without any aid from Government whatever. At the same time, I think it very desirable that in the case of every new colony the Government should afford a certain amount of assistance.

2358. Confining the question to the present case, do you think the colony could have got on without the aid of Parliament upon the present occasion?—I think not, under the present circumstances.

2359. Do you think the aid which has been afforded is larger than necessary?—I have not the means of judging. I have no reason to suppose the sum larger than necessary.

2360. Do you feel assured that further aid may not be necessary from Parliament?—I have no means of forming an opinion on the subject.

2361. Lord *Fitzalan.*] With respect to the uniform price of land, have you formed any opinion whether it is prudent to sell the whole of the land at a fixed price, one acre with another, as is at present done?—I have a very strong opinion in favour of the principle of uniformity; I am not prepared to say that an exception should not be made in the case of the most valuable town-lands, but speaking of it as a rule, I consider that it is highly advantageous, and one that ought to be adopted, if possible, in every colony.

2362. Mr. *Wood.*] Do you think there should be no reference made to the difference of quality in the land?—None whatever.

2363. Why do you think that land differing in quality should be sold at a uniform price?—I conceive that in a new colony a uniform price regulates the occupation of the land in the most desirable manner. It is manifest that under such an arrangement the land will be called into occupation, partly according to its fertility, and partly according to its position with reference to markets and roads, and so on; that is to say, it will be called into occupation precisely in the order in which the different portions of land reach in value the price fixed upon, and that I believe to be the most desirable order in which land should be occupied.

2364. Lord *Howick.*] Are you not aware that in the case of South Australia there were many blocks occupied at the same time, of which the price differed very considerably?—I can scarcely conceive that possible under an arrangement establishing an uniform price.

2365. It is in evidence before this Committee, that on the first selection of land by the persons entitled to claim land, the different lots which they selected, from the moment of selection, differed very greatly from each other in value, some selling for as much as 10*l.* an acre, and some for as little as 1*l.*, the original price?—Undoubtedly that would be the case at the commencement, inasmuch as the occupation had been waited for. In the starting of a colony, such a state of things is unavoidable; but afterwards, when all the parties who had a right to choose land had selected their land, then all future lands would be selected in the order in which they acquired the necessary value.

2366. At the first foundation of a colony, you admit that it will happen under this system, that two persons may get two lots of land at the same price, which may differ from each other in value in the proportions of 1*l.* and 10*l.*?—It is possible at the formation of a colony.

2367. Do not you consider that in the case of the person who only pays 1*l.* for land, which the moment it is sold to him he can sell for 10*l.*, there is 9*l.* which might go towards the expenses of the colony needlessly sacrificed on the part of the public?—No I cannot admit that; I think it is very possible that some portion of that difference may be applied with advantage to the service of the public, but it is manifest that the expectation of obtaining such an advance would have assisted the commissioners in selling the land.

2368. According to a statement which has been made to the Committee, it appears, that amongst those who bought land at the same time, there was a ballot for priority of choice, and that the early choices were in the nature of prizes in a lottery, and were worth a considerable sum of money to the fortunate drawers; is that a correct description of what took place?—It was so.

2369. On the other hand, in the formation of the town of Melbourne, at Port Phillip, and the establishment of the surrounding district as a colony, the land was sold by auction according to its value; and it appears that the land within five miles of the town, country lots, averaged 10*l.* an acre; does not it appear to you, that according to that plan, a considerable sum was obtained for the first expenses of forming the colony, which might equally have been realised in the other case?—I have already stated that I have great doubts whether an exception should not be made with reference to the lands of the capital town, and therefore I am prepared to admit that there may have been an advantage in excepting the lands of the township of Melbourne from that general rule; but with regard to all other lands, I would call to the recollection of the Committee, that the parties had occupied the neighbourhood of Melbourne before the lands were sold, therefore they were upon the spot to purchase the lands under any circumstances under which they might be offered. With regard to South Australia, owing to the provisions of the Act of Parliament, it was necessary that the commissioners should induce parties to go out, running the risk of finding the lands of inferior fertility, and of inferior value; and in order to induce them to run such a risk, it was necessary that they should have the means of holding out an expectation to parties of also finding lands of very high value; and it was that uncertain advantage, (which I admit was similar to the prizes in a lottery,) which induced parties to go out, who but for such an advantage, probably would not have gone.

2370. Might not equal advantage have been held out to the colonists by taking care that the whole of the money received for the land, if it had been

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sold according to its real value, should be applied for the benefit of the whole community, instead of giving prizes to a few fortunate individuals?—I fully admit that anything which is dependent upon chance is so far objectionable; but I fear that the parties would not have been contented with a share in some general and uncertain advantage such as is referred to.

2371. Mr. *Wood.*] But if in the progress of a colony you sell all the land at a uniform price, will not this be one of the consequences, that some blocks, being of inferior quality, will remain undisposed of, whilst the land of better quality is sold?—Certainly.

2372. Will not that be prejudicial to that regular progress in the sale and culture of land, which has been considered as desirable, and which is considered to be part of the plan denominated Mr. Gibbon Wakefield's plan?—I am of opinion, that if any one has formed such an estimate of Mr. Wakefield's plan, he has entirely mistaken it; my opinion is, that it forms no part of his plan.

2373. Will you show in what it differs from his plan?—Mr. Wakefield's plan is to establish a uniform price for land, and to allow its settlement and occupation in such order as that uniform price will lead to. It is no part of Mr. Wakefield's expectation—I am certain, from personal communication with him—that pieces of comparatively sterile land should not be left unoccupied.

2374. The question did not refer to sterile land, but land of inferior quality?—"Comparatively sterile land" is the term I used; "inferior land" may be substituted for it.

2375. You think there will be no objection to leaving all the land, which is not of the first class, unoccupied, till all of the first class is occupied?—No, that is not the order in which the land will be occupied; in attempting to describe the order, I stated that it would be partly according to position, that is to say, proximity to markets and to roads, and partly according to fertility; both enter into the consideration, and go to constitute the value.

2376. With that understanding, do you consider that all the first class land should be occupied before any of the second class is called into culture?—Yes.

2377. Even though at a reduction of price it might be worth while to cultivate some of the second class along with the first?—Certainly; I am of opinion that it is better that the land should be occupied, as it would be occupied under a system of uniform price.

2378. Might not that interfere with the local government, and with the making of roads?—I cannot see how it can interfere with the making of roads.

2379. At whose expense would the roads be made across the land of inferior quality, in order to get at the land of better quality more remotely situated?—At the expense of the colony.

2380. Was it not a part of Mr. Wakefield's plan, that it was better to encourage the sale of land in the immediate neighbourhood of the colony, than to let the settlers ramble at large over the whole of the district, according to their own fancy, thereby very much interfering with the consolidation of the population, and with the progress of civilization?—Mr. Wakefield's plan is to induce people to settle upon the land in the order in which it acquires a given value, that value being made up partly of the position, and partly of natural fertility; and it is manifest, that one of the results of such an arrangement would be that land of inferior fertility would come into occupation after land of superior fertility, the distance from the markets, and the other circumstances being equal. That I am certain is a result which Mr. Wakefield and the other gentlemen who have promoted the plan never overlooked for a moment.

2381. Might not the way in which the land would be taken up for cultivation be modified, if you offered it at a price according to its intrinsic value, and not at an arbitrary fixed rate, irrespective of variations in quality?—There is no doubt that it is in the power of the authority which regulates the price of land to induce parties to occupy it in any order; I could conceive of a scale of prices which would induce parties to occupy the least fertile land first, but I imagine that such a result would not be to the advantage of the colony.

2382. The question has not reference to a mere imaginary scale, but to a scale that would fix the price according to the difference in value, arising out of difference of fertility?—It appears to me that a uniform price tends to the

the occupation of the lands in the best possible order, namely, that order in which, under circumstances tending gradually to augment the value of the land generally, it arrives at a given price; I conceive that to be the best possible mode of regulating the occupation of land; I see no advantage whatever in forcing or even inducing people to occupy land of inferior fertility, merely because it happens to be next to a piece of land of superior fertility, which happens to be occupied.

2383. Do you consider Mr. Wakefield's principle to be to leave things as much as possible to their natural course?—Certainly.

2384. Is it not an interference with that natural course to sell land at an arbitrary price, without reference to its intrinsic value?—I am not aware what is meant by an arbitrary price; the price of all land must at first be arbitrary, whether it is a uniform price or a varying price.

2385. What was meant by an arbitrary price is a fixed uniform price for all land irrespective of circumstances?—A uniform price appears to me to be the best possible arrangement, inasmuch as it takes into account all the circumstances which constitute the value of land, namely, fertility and position; if you regulate the price of land simply with a view to fertility, then you neglect position; if you regulate the price of land solely with a view to position, then you neglect fertility; a uniform price, leaving people to take the land wherever they please, brings both circumstances into account.

2386. Is it not possible to regulate the price by the conjoint operation of fertility and position?—A uniform price does regulate it by the joint action of fertility and position.

2387. How can a uniform price possibly regulate it by those two circumstances?—A uniform price determines the time when the land shall become occupied; in South Australia, the price of land being 1 *l.* per acre, as soon as a piece of land becomes worth 1 *l.* per acre, whether its value is given by fertility or by position, or, what is most likely, by a combination of both, it becomes occupied; it is not occupied till then, and it is not likely to remain unoccupied long after it has acquired that value.

2388. Was that principle followed in the first sales that were made, which have been referred to in the question of Lord Howick, where the appropriation was determined by lot?—Yes, it was observed as entirely as it was possible under the circumstances to observe it.

2389. Was it followed out according to that which you have been describing as the plan which is best to be pursued?—Yes.

2390. Was it left to purchasers to select their own plots?—Yes.

2391. Was there not an appropriation by lot?—There was a determination of the order of choice by lot, but the parties were left to select where they pleased.

2392. Were not those persons who drew unfavourable numbers placed in a worse position than those who drew the earlier numbers?—After they had drawn their numbers they were in a worse position, undoubtedly; previous to drawing the numbers they were in the same position.

2393. They acquired by that means land of inferior quality?—Inferior to that which those who had been more fortunate had acquired, but not inferior to that which was open to general choice, inasmuch as they had a selection from among all the unselected lands.

2394. Was not the choice limited by what had been surveyed?—It was limited at that period by the lands which were then surveyed, but every party had a right to determine for himself, whether he would make his choice at that time or defer it indefinitely.

2395. Was not it also limited by contiguity to the capital?—Not further than it was limited by the extent to which the surveys had been carried.

2396. How far had the surveys been carried at the time referred to, when this appropriation by lot took place?—The appropriation of the land was a continuous operation, it did not take place on a certain day and then cease; there was a certain day when it was declared by the colonial commissioner that the lands were open to selection, but no one was obliged to make his selection at that time; if he thought proper, he deferred it till other lands were brought under survey.

2397. Was not that an appropriation by lot?—No, there was never any appropriation by lot; there was a determination of the order of choice by lot, but no appropriation of land by lot.

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2398. Does that method of determining the order of choice by lot still continue?—No.

2399. Is the principle of priority of choice by lot entirely abandoned?—The principle of priority by lot comes into operation very rarely; it comes into operation under these circumstances; when two parties apply for the same piece of land, and for precisely the same amount of land, then, and then only, the determination is by lot.

2400. Has that always been the case?—That has always been the case.

2401. Was that the case in the first instance?—That was the case from the first, with the exception of the peculiar arrangement which regulated the appropriation of the very first lands purchased in this country.

2402. Was there not a great deal taken up under the appropriation by lot?—Yes, there was about 60,000 acres to be taken up under that arrangement.

2403. Within what limit was that choice confined as to the contiguity to the capital?—I have already stated that it was not limited at all with reference to contiguity to the capital. A certain amount of land adjacent to the capital was surveyed, and certain favourable spots, remote from the capital, were also surveyed. It was then declared by the authorities that parties might choose their lands, and the order of choice having been determined by lot, the person who held No. 1, made his selection, and then No. 2 made his selection, and so on; each, however, being at liberty to defer his choice indefinitely till other lands were surveyed if he thought proper, and many did so defer their choice.

2404. How much of the 60,000 acres was actually taken up at that time?—That I cannot say; there are documents which would show; I think not more than half.

2405. Over what range of land actually surveyed at that time do you think they had a choice in choosing those 60,000 acres?—I think they had a range to the extent of about 100,000 acres; but though the division lines were at this time laid down on the map, they were not marked in the field till afterwards.

2406. Do you wish to state anything further with regard to the administration under Colonel Gawler?—As I have reluctantly been obliged, in the course of this examination, to attribute blame to Colonel Gawler, I am desirous, in justice to that gentleman, to add, that in my opinion he was placed under most difficult circumstances; that he found the colony in a very unsettled state on his arrival there; that he exerted himself exceedingly and most successfully to allay dissensions which he found existing; and that, with the single exception of deviating from the instructions of the commissioners as to the extent of expenditure, he so conducted himself as to add very greatly to the welfare of the colony; that in all other respects he was a most excellent governor.

George Fife Angas, Esq. called in; and Examined.

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2407. Mr. *Wood.*] ARE you now prepared to give the Committee information with regard to the position of the aborigines in South Australia?—I wish to lay before the Committee an account of their position, in a legal point of view, in the first place, then to state what is their actual position in the colony, and what are the means by which their condition may be improved.

2408. From whence is your information regarding their legal position derived?—It is derived from an examination of those parts of the Act of Parliament which affect the position of the aborigines. This I hold to be a point of very great importance, because it is owing to the deficiency of the Act that no measures for their amelioration have been adopted. With respect to the Act, I conceive that those words in the preamble, which declare that South Australia consists of waste and unoccupied lands, clearly exclude the aborigines from any advantage whatever arising from the land; it does not even recognise their existence. They have no existence in a legal point of view, therefore no provision could be made for them by the commissioners. The natives cannot purchase and hold land. The commissioners are to declare, according to the Act, that all the lands of the said province are public lands, open to purchase by British subjects; consequently, the natives can hold no property. In the next place, no grant of land can be legally made to the aborigines, because in the sixth section of the Act it is stated, that all lands are public lands open to purchase, and that the said public lands shall be sold in public for ready money. Also in the 20th section of the Act it is declared that "The public lands of the said province

vince or provinces then remaining unsold, and the monies to be obtained by the sale thereof, shall be deemed a collateral security for payment of the principal and interest of the said colonial debt." Hence it follows, if I am correct in my construction of the Act, that the selection or grant of lands made by Colonel Gawler on behalf of the aborigines at Adelaide and Encounter Bay, of which we have had recent advice, is positively illegal, and should the aborigines settle upon and improve them, it will end in their disappointment, unless there shall be an alteration in the Act hereafter. It places them in a very difficult position. I think, too, that positive injustice has been done to the natives by the Act itself, inasmuch as a portion of land was occupied by them at the time the Act was framed, notwithstanding it declares that there was no land occupied. The missionaries inform me that every adult native possesses a district of land which he calls his country, and which he inherited from his father. Some of them, indeed, say that they gave their land to the whites, and that they have received in payment for it a little rice, biscuit, and sugar. It will be manifest to the Committee that, as the law stands, they are an unauthorised body in the colony, and that while it remain so no measures whatever are likely to be adopted for their improvement. I felt it my duty to bring that point specially before the Committee; it is, in fact, the foundation of all future attempts to ameliorate their condition. The natives, however, by another clause, are entitled to the protection of the laws of the province, which also they are bound to obey; for the Act declares, "That all and every person who shall at any time hereafter inhabit or reside within His Majesty's said province or provinces shall be free," &c. In another part it says, "But shall be subject to, and bound to obey such laws, orders, statutes and constitutions as shall from time to time be made, ordered, and enacted for the government" of South Australia. When I had a seat at the Board of Commissioners, this view of the Act impressed my mind so forcibly, that it was brought repeatedly before the Board, but it was found that we could not legally take a movement on behalf of the aborigines of the colony while it existed in its present form. I mentioned the position of the natives to the Secretary of State for the Colonies, Lord Glenelg, and submitted a plan to his Lordship for their improvement. It was not, however, found expedient to make any change at that time, and it has continued so to the present day.

2409. Mr. *Gladstone.*] You say it was impossible to make any one movement on behalf of the aborigines; does not that require some qualification; have not some things been done in the colony itself?—I was going to make a qualification; I alluded in my remarks to the legal construction of the Act, and to the tenure of land; I stated in respect to their present position in the colony, that they are protected by law; the aborigines' protector defends them, and their evidence is taken in courts of justice. They are not allowed, however, to hold any private property; and they are also partly supported by the government, which has erected huts for them. They are allowed to hunt on the waste lands, and to occupy a location on the Park-lands; they have rations allowed occasionally, and are at liberty to work. They are instructed by missionaries, who are supported by the voluntary contributions of a foreign society. The society which sent these missionaries out is, I suppose, the first foreign society which has established missionaries in a British Australian colony. It is styled the Evangelical Lutheran Missionary Society of Dresden, conducted by a number of noblemen and gentlemen. They established a native school early in 1840, and have devoted twelve months to the acquisition of the native language; they have completed a vocabulary and a grammar of the native tongue. Each of the tribes speaks a different language; hence it is very difficult for the missionaries to converse with them, for after they had acquired one language, they had to proceed to a second, and so on, in order to communicate with the other tribes. Their greatest hope of amelioration seems to arise from the instruction of the children. In the school at Adelaide they are taught for an hour or two daily, and are supplied with a little rice and sugar, as an inducement to attend the school. At first, the parents were exceedingly unwilling for them to attend; a great improvement, however, has taken place upon that point, for now the parents are anxious to send them. About 20 of them are able to spell words in their own language pretty well, and ten of them have a tolerable knowledge of sacred history up to the time of Abraham.

2410. Mr. *Wood.*] Are they not instructed in the English or the German language?

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language?—Not at all; they have found it impracticable to instruct them in the English language at the beginning; a knowledge of the English will follow an acquaintance with their own language.

2411. Is it found that to give them instruction in their mother tongue is the best means of promoting their education and civilization?—That is the result of their experience; these missionaries are very intelligent and highly educated men from the first colleges in Prussia. The children come to school almost in a state of nudity; some of them are clothed with a native cloak, and others with a rag of European clothing. The missionaries are compiling a spelling-book, which they expect will very soon be completed. Captain Gray, the present governor of South Australia, has published a vocabulary of the dialects of South Western Australia, and is resolved to encourage the improvement of the native language in South Australia upon his return; thereby they will probably have a very able coadjutor in that particular work. With regard to the location of the aborigines, we find that there is one tribe at Adelaide, comprising about 150 persons; another at Encounter Bay, of about the same number; one at the Barossa Range, consisting of above 100, and another at Port Lincoln of nearly the same number; therefore I calculate that there are about 500 natives known to exist in South Australia, independently of what is termed the Big Murray tribe.

2412. Captain *A'Court.*] Do those four tribes speak the same language?—They all speak the same language, but with very great modifications.

2413. Mr. *Wood.*] You mean to say that they speak different dialects of the same tongue?—So different that they can scarcely be recognised as the same languages.

2414. Lord *Fitzalan.*] Does the population appear to increase?—I have a return for the last year, which states that there has been a decrease of one or two; in that respect it appears to be different from the records of other colonies, inasmuch as there seems to be little diminution of the native population. The Big Murray tribe, which is included within the limits of the colony, is the tribe that destroyed the crew of the Maria; they are a most ferocious set of men, with whom the colonists have not come much in contact. One of the missionaries had resolved to go and settle amongst them, and form a sort of Moravian village, but they have had such frequent encounters with the stockmen (the convicts of New South Wales, who have come over to Adelaide with stock), as to have produced a determination on the part of the natives to avoid all intercourse with the whites. The missionaries hope, however, as they progress, to visit them, and, by a proper explanation of their position in the colony, to induce them to become more peaceable.

2415. Mr. *Wood.*] Have you any information as to the extent in number of the Big Murray tribe?—I suppose it consists of from two to four hundred. It is a tribe that is fast decreasing. They are afflicted with the venereal complaint in the most distressing manner, according to the testimony of Captain Sturt.

2416. Mr. *Gladstone.*] Have they got that from Europeans?—No. It has always been considered that the natives of Australia had received the disease from Europeans; but I have it in my power to show that it is erroneous; first, because of their native habits, which are such as must inevitably produce that complaint; in the next place, from their having words in their own language which describe it; and some of the tribes are known to be afflicted with that disease who have never had communication with white people. With regard to their employment, about four years ago the company instructed their colonial manager to introduce the natives into the whale fishery, and I am happy to say that the last report intimates that one of the whale boats is manned entirely with the natives, who make most admirable marksmen and are very manageable. I will now refer to the location of the German missionaries, of whom there are four, and their relative position in respect to the natives. Those gentlemen are connected, as I have stated, with the Missionary Society of Dresden, conducted by some of the leading men in Prussia. Mr. Schurmann, who was formerly at Encounter Bay, has lately been appointed to the office of deputy-protector of the aborigines at Port Lincoln. Messrs. Teichelmann and Klose reside at Adelaide, and Mr. Meyer and his wife are intending to settle at Encounter Bay. The two first missionaries, Schurmann and Teichelmann, went out with Colonel Gawler in 1838, and have ever since been under his protection. Mr. Meyer and Mr. Klose took their passage in a vessel of mine in May last.

Mr.

Mr. Meyer, after inspecting the native school at Adelaide, informs me, in a letter written on the 15th of August 1840, that "A spacious schoolhouse has been erected by government, in which the brethren daily instruct a number of the neighbouring children in singing, spelling, and reading their own language; we were truly gratified with the black, half-naked little creatures, their good conduct and attentive countenances." The Big Murray tribe is placed in circumstances unfavourable to civilization, but nevertheless the missionaries are determined to make an attempt to reach them; they have arranged with Pastor Kavel, who is the German minister, to remove some of the German families into the interior, where they may have communication with these people, and attempt the formation of a missionary village immediately adjoining the native district, and some persons in Berlin have resolved to go out and settle amongst them. It will be, however, rather a dangerous undertaking. With respect to their moral condition, I beg leave to put in a report of Mr. James Backhouse, who is known as a very benevolent man; he visited South Australia, and this extract from his Journal relates exclusively to the aborigines of that colony.

2417. Does it come from Mr. Backhouse to yourself?—It is his Journal; it is in print, but not published.

[*The same was delivered in, and is as follows:*]

EXTRACTS from the Journal of *James Backhouse*, South Australia.

December 1, 1837. The blacks here are very peaceable, and though much like those of other parts of Australia, most persons admit that the pictures they have seen of them in England are caricature likenesses of much more forbidding aspect than the originals. I think those that I have seen here have not, however, quite such large mouths as some in other parts. Only one European has lost his life from them, and this was the result of his own profligacy. The man who destroyed him is awaiting his trial as a prisoner at large in the day-time, with a party of marines, about 19 of whom constitute the armed force of the province, and are said to be among the most disorderly of its inhabitants. At one time this black was imprisoned on board a ship, but was removed by the governor, who reprimanded the parties that had the man in charge, but treated him like a wild beast, and this irritated him, and on one occasion headed him up in a cask.

A protector of the blacks is appointed here, but hitherto little has been done for their amelioration. They obtain articles of food or clothing, or receive payment in money, with which they buy bread, for turns of work done for the settlers; but they have not yet any correct idea of the relative value of money and labour, which it is important they should be instructed in.

December 6. In the evening there was some excitement among the blacks, consequent upon two of them having accidentally received some injury from the gun of a man shooting a quail, who, being intent upon his bird, did not see them among the grass.

December 7. A threat was made that if either of the blacks shot yesterday died, the others would burn the hut of the man who shot them; and he, in his fear, magnified this into an assertion that they were coming to burn the huts of the neighbourhood, and persuaded some of his neighbours to watch with him. In the night, one of the blacks accidently going to the river to drink, took with him a fire-stick, according to their usual custom (for they do not move in the night without a light); this was mistaken for a desire to set fire to the huts that laid in a direction of the river, and a hue and cry was raised after the blacks, who also were fired after, but, it was alleged, not with intent to hurt them. They were, however, left in a state of considerable excitement. This happily was ultimately allayed, and the matter explained to them by the protector, who bestirred himself to see that the people were not taking the matter into their own hands.

Robert Cock, who we are glad to find much interested for their welfare, took some pains with them, and they were persuaded to come to the commissioner's store, where they received some potatoes and other food. The governor also took advantage of the occasion to assure them of his protection, and to invite them, in all cases of uneasiness, to seek redress of himself and the protector, as well as to inform the European population, that in case of their taking the law into their own hands in any cases of imagined intention or actual offence from the blacks, they should be dealt with according to law. It is evident that it is of the utmost importance to impress upon both communities that they will not be allowed to avenge themselves, but that the law is open for the redress of both. Something, however, requires to be done to render the evidence of the blacks available, or they will not stand on even ground with the whites. The day was extremely wet, and very cool. About a score of the aborigines took shelter under J. B. Hack's verandahs. They were chiefly clad in rugs of skin, which they wear fastened over the shoulders, extending to the knees, or in fragments of European clothing. Their bodies are not so much cut as those of some other tribes we have seen that go more entirely naked. Some of the men wear red ochre and grease in their hair. They appear rarely to wash themselves, and consequently they have an unpleasant smell, much like what we have noticed among prisoners of filthy habits in New South Wales; and, from this similarity, I am disposed to attribute the unpleasant smell of blacks, not to their colour, but to the want of personal cleanliness. The hair of these

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blacks is not woolly, but generally black, and it has a tendency to curl. Some of the men have more than one wife, and most of the women have children, of which they seem very fond, often embracing and kissing them very affectionately. One of them noticed Bridget Hack kissing her little Bedford, and remarked, "Very good," with evident satisfaction. When their families become inconveniently large, they nevertheless sometimes destroy the infants. Yet this seems a matter of regret with them, but to be looked upon as one of necessary consequence. We heard of two children (both females) being rescued, or rather of their destruction being abandoned, at the intervention of Europeans. The women do not appear to live in any dread of their husbands; and it is said that there are no chiefs among the men, but that the population is associated in families. Kangaroo's teeth are fastened to the locks of hair of the children, before and at the sides, as ornaments; and often tufts of feathers are appended behind. I do not think the blacks here have quite such prominent jaws as some we have seen, but their noses are broad, and rather depressed, and the men wear their beards short. Their spears are simple rods; but to some they attach a sort of barbed ridge on one side, by affixing pieces of glass by means of grass-tree gum. We did not observe the boomring among them.

In conversation with Robert Cock, he suggested that advantage might arise from the appointment of a committee to co-operate with the protector, with whom I recommended him to confer on the subject. At the table of our friends J. B. and B. Hack, we partook of the flesh of an emu, killed yesterday between this place and Port Adelaide. It bears some resemblance to tender stewed beef: these birds are yet pretty common here.

December 10. The day was beautifully fine; the river is much swollen. While watching some blacks rolling up a cask of water, by means of a rope attached to a pinion at each end of the cask, so as to enable them to draw it after them like a garden roller, I noticed some cray-fish in the river, of a dark colour, and about the size of those in England. C. B. Howard, T. Q. Stow, and John White, each gave notice to their respective congregations of a meeting, that we think it right to hold, to introduce more strongly to public notice the temperance question and the state of the aborigines.

December 11. The state of the blacks was then commented upon; and, after the governor had made some very suitable remarks, he proposed that W. Wyatt should be called to the chair, which being agreed to, the governor withdrew from the meeting. T. Q. Stow, J. B. Hack, S. Stephenson, and one or two others, spoke in connexion with the resolutions, and a committee of considerable size was appointed to co-operate with the protector, who expressed his great satisfaction with the measure.

Mr. *Angas.*] I beg also to present an extract from a letter I received from Mr. Stow, one of the most intelligent ministers in the colony, which establishes the intellectual power of the natives. He says, "There are indications decisive enough of lively, solid, and improvable intellect." He thinks the Murray would be the best station for missionaries; and generally intimates that the colonists have behaved exceedingly well to the settlers.

[*The same was delivered in, and is as follows:*]

I was happy to receive your introduction of the German missionaries; I am pleased with them, and it has been in my power to show them some kindness; they are fast learning the native language, and I trust will soon be able with ease to preach to these lowest of our species the unsearchable riches of Christ. They are located at present at Adelaide, as the natives are gathered in greater numbers around us, and seem to demand the first attention. I am obliged by your introductions at different times of various persons, for character is at a high price here. We are glad to see a Christian on these shores; and it is pleasant to meet with those even who are no more than decent and sober and honest.

You desire information respecting the natives. They are the degraded beings we had been told, but not exactly in the same way; it is not incapacity, nor inactivity of mind which we discover, on the contrary, there are indications decisive enough of lively, solid, and improvable intellect. Here I think we have firm footing. Their ignorance, indeed, is complete, and of course discouraging; but I do not regard this as a counterbalance to the encouragement yielded by the proofs of mental power and activity. If there is capacity, it may be filled, and it is our part to fill it. The great difficulty is of another kind; it lies in their perfect social degradation, with no combination, no government, no home; it is difficult in any systematic way to reach them; it will require all the wisdom, energy, faith, and patience of missionaries to overcome these difficulties. It is a work for them, and I am persuaded that no hands but theirs will do it, nor even theirs, unless aided by the hands of the mighty God of Jacob. You are aware, probably, that the natives are but thinly scattered over the country; at the Murray they are much more numerous, and rather more intelligent. It would be a good mission station. The colonists have, for the most part, behaved well to the aborigines, and peace reigns between white and black."

Mr. *Angas.*] I will now advert to the manners of the aborigines. It appears that they resemble the Polynesians, inasmuch as they practice tattooing and painting themselves with red ochre. They are not idolators. Polygamy is common amongst them, and they have some remarkable customs resembling the Jews. They practice, for instance, circumcision; it is usually at the age of puberty.

puberty. This rite is performed in a very solemn and superstitious manner. The youth is seized unaware and blinded before they proceed with their mystic evolutions. It is an initiative rite; afterwards the youths may eat opossum and kangaroo's flesh, and join in their councils of war. The word "pararu," meaning "uncircumcised," is used by them as a term of reproach, precisely as we find it used in the Scriptures. They have another practice resembling the Jews, which is, that when a husband dies his brother takes his wife. They also make loud lamentations over the dead; they use the very language which is recorded in Jeremiah, "My father, my father," or "My brother, my brother," as the case may be. And they exchange surnames with their friends, which is a practice mentioned in Isaiah. Some of their customs are heathen: first, they practice infanticide; as a proof, the youngest wife of "King John," as he is termed in Adelaide, destroyed her second child. In the next place, tattooing, which is also an initiatory rite; they in this make deep gashes in the back and chest. The young men say they would gladly avoid this painful operation, but they are forced to submit to it by the command of the older men; this rite is performed to propitiate the wrath of an imaginary deity whom they call "Taruda," who was once a man, but afterwards became a kind of kangaroo. They suppose, that if they attempted to hunt before this rite was performed they would be torn to pieces by this imaginary being. They are very superstitious. If one of the tribe dies without any visible cause, they ascribe it to a magical influence on the part of some other tribe, and on that assumption, they go to war with them and retaliate. That is one cause of the incessant dissensions between the tribes. They practice sorcery, and fornication is very general, besides unnatural crimes; they seem to evince no shame whatever in the practice of them, and the natural result is a state of horrid disease; scrofula as well as the venereal disease is not uncommon. They believe in evil spirits. There is one they call "Fura;" to avoid his influence they use various magical sentences. They have some notion of good spirits and of a future state of existence; they expect that a good man's soul flies upwards, where they say there are plenty of kangaroos to eat. They state that a spirit of the name of "Munaintjerlo" once lived on earth, but now sits above, who made the sun, moon, stars, and the earth. On learning this one of the missionaries took an opportunity of telling them of the creation, of the incarnation, suffering, death, resurrection, and ascension of the Son of God, and he had the satisfaction of seeing not only that he was perfectly understood, but also that he had created a deep interest in their minds; another spirit whom they acknowledge is "Tindoger-limego," literally meaning the "Sun-father-man;" he has power over life and death; also one whom they call "Munaina;" he lived on earth a long time ago, and climbed up to heaven through the instrumentality of a line of spears, and his tribe followed him. They hold also the doctrine of transmigration of souls; the soul lives in a place called "Tin-de," that is, in the grave, or stranger's country; it enters the infant in the womb, and at death goes back to Tin-de, where it waits for another body. They maintain that all animals were once men, and were their ancestors; they have some curious tales about a conflict of the lark and whale, and of the emu and the eagle, which terminated in the transformation of those creatures; they have no proper idea of a creator, but think that some animal made the earth; they entertain tolerably correct notions of the moral law as it affects their neighbour, for which they have terms in their own language; they even punish to a certain degree the transgression of the law amongst themselves. I have here a copy of the Ten Commandments in their native language.

2418. You do not mean that the Ten Commandments existed among them before the missionaries went to them?—No, but they acknowledge the obligation of the law.

2419. That is what they have learned from communication with European missionaries?—Of course; they suppose that the soul exists after death, but they always feel great astonishment at being told that the soul after death has to account for the actions of life, and of its being raised again; one native inquired if Jehovah would sew together the body and the soul; they have no terms for "tree" or "animal," as they know these only by their proper names, which is one great difficulty in the way of teaching them the history of the creation. They suppose that all the facts taught them by the missionaries are merely traditions handed down by their ancestors in the same way as they have

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derived information themselves; they clearly understand the relation in which the missionaries stand to them as being different from the other whites. A native said that "they believe they shall afterwards speak to them as the English ministers do to the white people, and that they will sing as the white people do." They have a notion that the missionaries are sent by some distant government, for the purpose of benefiting their condition, and on that account they are exceedingly attentive to their instructions. The missionaries have taken several excursions with them into the interior, which has been attended with considerable advantage to the natives themselves, and has enabled them to obtain extensive information as to their real condition. I would now advert to suggestions which I have received from the missionaries, and from the German pastor Kavel, with respect to their improvement. They state that the greatest hope arises from the early instruction of their children: that the natives should be located at a distance from the whites; that the example of the whites already has been injurious to them, and has in a measure counteracted their attempts to improve their condition; they think that a sufficient quantity of land should be set apart for the use of the natives, besides food for their support, seed, small stock, such as pigs, &c.; implements of husbandry ought to be provided, and the means of training them up to habits of industry; they expect that the adults for one generation, at least, will prove a heavy burthen, which the colony must bear; they however hope that afterwards they will be able to raise a sufficient quantity of food for their own support. The natives appear very suspicious of the proceedings of the government in taking up their lands, but they do not manifest anything like the same feeling towards the missionaries, whom they think the government has sent to do them good. The missionaries complain that their efforts have been very much cramped for want of means; as they are often obliged to feed the people out of their own stipends. They make an appeal to me, which I cannot answer; they say, "What, under such circumstances, can and should be done, we leave to your wisdom." Pastor Kavel recommends a portion of land to be set aside for the Para or Gawler tribe, who occupy a part of the country which has been very recently surveyed, as they will be obliged to leave their ground and lead a beggarly life as soon as the district is let or sold; to prevent that mischief, he thinks that arrangements ought to be made to secure to them some property where they may be induced to settle permanently, and to enjoy the benefits of civilized life.

2420. Mr. *Wood.*] Have they been dispossessed of the land on which they were living?—The lands on which they were living they have been dispossessed of.

2421. Have they been removed from the places where they were residing by authority?—By the authority of the settlers who have purchased the lands. The government has allowed them a location on what is termed "The Park," near Adelaide.

2422. Captain *A'Court.*] Were they not migratory tribes?—No, they had distinct limits; every family had a location.

2423. Mr. *Wood.*] Had they such a fixed residence previously to the settlement of any Europeans in the country?—Yes, it was accurately defined; not only was the district of the tribe defined, but the districts of the families of the tribe were so also.

2424. Defined in relation to each other?—Defined in relation to each other.

2425. Then did they recognise the rights of property in land?—In that sense they did.

2426. They respected each other's portions of land?—Clearly so. Those who trespassed upon others were put to death if they could be taken hold of.

2427. Have they been dispossessed of those portions?—Certainly; in every instance where the whites have settled down, they have dispossessed the natives of the portion of land which they formerly occupied.

2428. Has land been sold under the authority of the commissioners which was actually in the occupation of the aborigines?—Most unquestionably.

2429. Have the aborigines been dispossessed in consequence?—I believe that to be the fact.

2430. Have you that upon the authority of information transmitted to you from the colony?—Pastor Kavel mentions that, in that particular locality at the Gawler river, they will have to be sent away so soon as the settlers go to it, in

in order to prevent mischief, and that he wishes to have a certain portion of land set apart for their particular use.

2431. That is a prospective case. Are you aware of any instance in which such dispossession has actually taken place?—I am persuaded that the land now occupied by the settlers was formerly belonging to the natives, and that they have in consequence been obliged to remove.

2432. Do you know any case where they were in actual possession, and have been obliged to remove in consequence of the occupation of the land by the settlers?—Yes, there is the Adelaide tribe; they have been obliged to remove, their lands having been occupied by the whites; that of course destroyed their means of subsistence from the kangaroos; they are now located on a small spot where they receive rations from the government.

2433. Is their location remote from the place of their former residence?—No, but it is a very small portion of their former possessions, probably not one-fiftieth part of it.

2434. Does it constitute part of the land on which they were situated?—It does in their case.

2435. Their hunting grounds for kangaroos have been curtailed?—Yes, the land on which they are now placed belongs to the government; it is called the Park, and by the regulations of the government at Adelaide, they are there by sufferance; they have no right to the soil according to the Act of Parliament.

2436. Lord *Fitzalan.*] In page 9 of the First Annual Report, which is not signed by yourself, but signed by the other commissioners, there is a plan for giving to the natives a certain proportion of every 80 acres sold, divided into sections and so on?—Yes, that plan has never been acted on till lately by Colonel Gawler, and in my evidence I have shown the illegality of that course with a hope that the evil will be remedied by an alteration of the Act.

2437. Mr. *Wood.*] You say that that plan has not been acted upon; has it not been acted upon in consequence of its being discovered that it would be illegal to act upon it?—It has been acted upon to this extent, that Colonel Gawler from recent accounts has set apart some 80-acre sections for the use of the natives, but I believe that the doing so on the part of the governor is perfectly illegal.

2438. Was he not authorized to do so under his authority as resident commissioner?—Not by the Act; he is not authorized to set aside an acre for any purpose whatever; it can only be sold, and he must receive payment for it before he can convey it.

2439. Was the governor prevented from carrying into execution the suggestion contained in the First Report, at page 9, for making provision for the aborigines, by the legal difficulties arising out of the Act of Parliament founding the colony?—I should say so.

2440. Do you consider the existing constitution of the colony to have been deficient, in not having made provision for the protection and welfare of the aborigines?—I do.

2441. What provisions have you to suggest as desirable for their benefit?—I would suggest, in the first place, that a certain portion of the unsold lands should be set apart for the use of the natives, not to exceed in the aggregate one-tenth proportion.

2442. One-tenth of the entire colony?—One-tenth of the lands unsold. In the next place, that such portion of the land as shall be appropriated to the use of the natives shall be vested in the hands of trustees, exclusively for their benefit. That each tribe of natives should have its own location, and on it there should be a village, on the Moravian or other useful system, where a missionary and a few families of Christian people should reside permanently. That the proportion allotted to each tribe should vary according to numbers, locations, quality of the soil, &c. &c.; and that the land commissioner in the colony should have the power to add to the quantity of land appropriated to each native or family, according as circumstances justified it.

2443. Do you mean to add that in addition to the tenth you propose to devote to this object?—No. I do not mean that anything like a tenth should in the first place be appropriated, but that it shall never exceed that proportion.

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2444. Making additions from time to time as circumstances require, but never going beyond the extent of a tenth of the whole colony for the object of the aborigines?—That is my idea. I do not approve of the plan which has been adopted in New Zealand; it is very good as far as it goes; that is, to divide one-tenth of the purchased land amongst the aborigines, in equal shares, appropriating a larger proportion to the chiefs. I think that will not be found to work well. I would refer to the amount of land in proportion to the population in England as a criterion, and then apply the same principle to South Australia, varying according to circumstances. For instance, I find in England that two and a half acres are appropriated to one person, and in Scotland about seven and a half; but in the unsettled parts of Scotland, such as Ross and Cromartie, there are about 24½ acres to each individual. Therefore, I should recommend that a scale be adopted in the appropriation of uncultivated lands to the natives, so as to allow about 10 acres of good land, or about 30 acres of scrub land to each individual. Further, that the protector in the colony, with a committee appointed for the purpose of assisting the aborigines, which I believe does now exist in Adelaide, should have the power of conveying a small portion of land to the natives, only when they show a disposition to cultivate it, and that the proportion should be increased in the ratio of their good conduct and industry. I think, too, that the natives ought to be acknowledged and naturalized as British subjects, and should have the power of buying and holding land, which they have not at present. A judicious system of civilization and instruction should be drawn up and adopted by the aborigines' protector, which of course I cannot enter into the details of at present. Besides the protection and liberty afforded to the natives, additional laws, especially such as shall be suitable to them and their stations, may be necessary. At present they are entitled to the benefit of the laws adopted for British subjects, but I think there are cases which will require laws only applicable to the natives. There is a valuable code of laws drawn up by Mr. Standish Motte, a barrister of the Middle Temple; I have his plan with me, which, with the permission of the Committee, I will lay upon the table; it contains some very valuable suggestions. (*The same was delivered in.*) The official protector should represent the natives at head quarters; a local board of management or supervision, consisting of respectable persons, acting gratuitously, should be appointed at Adelaide to assist the protector, under the control of the government, as has been already suggested. The natives of each tribe should still have liberty to hunt within certain limits, even of the land which has been sold; of course they should be defined. Each tribe should have its representatives to meet the protector twice or four times a year at Adelaide, and a friendly intercourse ought to be kept up between the different tribes, through the medium of deputations from each, consisting of one respectable individual, selected out of and by the tribe, and the missionary appropriated to that particular section. I conceive that the great and ultimate object to be kept in view is to fit and prepare the natives for civilized life and amalgamation with the whites, which I think may be attained by the adoption of a proper system. The lands reserved in trust for the natives ought not to be inalienable, as they are proposed to be in New Zealand, but the commissioners should have the power of placing a certain portion of land in the hands of each person or family, as property in their own right.

2445. Do you mean in perpetuity?—In perpetuity; I believe it would have a very beneficial influence upon their habits. Some of the natives might be usefully employed in the police, but they ought never to be allowed to carry fire-arms; they may be serviceable as seamen and fishermen; they may be taught basket-making, and the manufacture of matting, and light native clothing; the females also may be employed in many useful occupations. I think the principle of working for wages should be recognized amongst them, and their wages ought to be paid in money or provisions; and the means of a savings' bank should be afforded them, that their earnings may be protected by law; under regulations of this nature I can have no doubt whatever of ultimate success.

2446. Lord *Fitzalan.*] Have they taken greedily to spirits?—Not a single case is known to me of that; Colonel Gawler has been very particular in preventing it entirely; and he has recently passed an Act prohibiting the distillation of spirits in the colony. The natives have chiefly associated with the missionaries, during the past year.

2447. Mr. *Wood.*] Do the suggestions you have now offered to the Committee spring out of your own intimate connexion with the colony for several years past, and from correspondence that you have had with persons resident in the colony?—They arise from my having studied the subject very attentively ever since the colony was thought of, from continual correspondence with the missionaries, and from having obtained the counsel and advice of leading friends to the aborigines in London. The opinions I have expressed are what have occurred to my mind arising from those various sources of information.

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Veneris, 26° *die Martii*, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Mahon.
Lord Fitzalan.	Sir Wm. Molesworth.
Mr. Gladstone.	Mr. Parker.
Sir George Grey.	Mr. Vernon Smith.
Mr. G. Hope.	Lord Stanley.
Lord Howick.	Mr. G. W. Wood.

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

Mr. *Thomas Driver*, called in; and Examined.

2448. Lord *Stanley.*] ARE you a Master in the Royal Navy?—Yes.

2449. In the year 1838, did you visit South Australia?—I did.

2450. Were you in command of a ship?—I was commander of a ship called the Emerald Isle.

2451. Of what burthen?—500 tons.

2452. Of what draft of water?—15 feet of water.

2453. Where did you come from?—I came from Calcutta, bound to Swan River, Adelaide, Hobart Town, and Sidney.

2454. Had you any difficulty in finding the port of Adelaide?—Probably I had better talk of Swan River, if you will permit me. I was bound to Swan River, but it was in the winter season. When I left Calcutta, Adelaide was not known, the position of it; all they knew was that Mount Lofty was to be brought to bear east.

2455. What month of 1838 did you come in?—July.

2456. When did you leave Calcutta?—In March; but I got into a gale of wind, and lost my rudder, and I came from the Isle of France to Adelaide.

2457. Your instructions were, that Mount Lofty bearing due east, you should be rather off the harbour of Adelaide?—Yes.

2458. Did you find that to be the case?—No, nothing like it.

2459. When you found Mount Lofty bearing due east, where did you find yourself?—In Holdfast Bay, or what is called Holdfast Bay.

2460. Is there any safe anchorage there?—There is no good anchorage there in the winter season.

2461. Is it entirely an open coast?—Entirely so.

2462. Had you there any communication with the shore?—I had; I saw a hut and a flag-staff.

2463. Is that the mouth of a creek, at a place which has since been called Glenelg?—That is the place since called Glenelg; there is one creek; a man came off from the shore with an order for the letters, and I delivered them, and I asked him where Adelaide was, and he said away to the northward, 15 or 16 miles.

2464. Did you then proceed to the northward?—I hove my anchor up, and proceeded to the northward.

2465. Did you afterwards enter the river which goes by the name of Adelaide Harbour?—I did, the next day.

2466. Had you any difficulty in entering the river?—I was ashore just as I got into the mouth of it.

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2467. You say you drew 15 feet water?—Yes.

2468. Is there a bar across the whole mouth of the harbour?—There is.

2469. Is it sand?—It is sand.

2470. Had you any pilot aboard who was acquainted with the locality?—I had two pilots aboard.

2471. Where did you take your pilots?—The man that came off to me for the letters said he would go up with the ship, for I had no charts but what were very imperfect.

2472. Did the pilot in taking you in get your ship aground more than once?—Twice.

2473. Did you consider she was in any danger?—She was strained so much, that on my return to Calcutta she was obliged to be docked, and we had to give her very many additional fastenings.

2474. How near did you ultimately arrive to the town of Adelaide?—Not within nine miles.

2475. From your observation of that coast, is there a safe anchorage for vessels at the mouth of Adelaide Harbour?—Not between the months of March and October, being the winter months.

2476. Is it entirely open to the north-west?—Entirely open.

2477. Is the north-west the prevailing gale at that time of the year?—Yes.

2478. Does much drift-sand come in across the mouth of the harbour?—Every gale of wind that sets in from the north-west must drive the sand into the harbour or creek. It is no harbour; it is a creek.

2479. Is the land on the other side York Promontory near enough or high enough to be any protection to vessels lying in the bay?—None whatever.

2480. What distance is it?—Ten leagues, probably more.

2481. Vessels lying in the harbour were at that time exposed to the gales from the north-west, without any protection whatever?—Yes, and must go ashore.

2482. Did you find any facilities for discharging your cargo?—The worst place I ever was in in my life.

2483. What difficulty did you find?—There were only two cargo boats there, and they came alongside, and took about ten tons of cargo, with which they went into a canal that they have cut; my ship lay about two miles from the mouth of this canal.

2484. Could you not get with your ship nearer to the mouth of the canal than two miles?—No, I think not; we had been aground, and strained the ship all to pieces. She was lying in a hole, where she lay afloat, about, I will say, 20 feet from the gangway; there was not two feet water, and shoal all along. It appeared to me to be coral and cockle-shells.

2485. What did you find was the expense per ton of transporting your cargo to Adelaide?—It cost as much as 40*s.* a ton to transport the cargo from my ship to Adelaide.

2486. How long did you remain in the harbour?—Fourteen days.

2487. Had you any opportunity of seeing the town of Adelaide?—Every day.

2488. In what condition did you find it; what sort of place was it?—Many of the huts were temporary, built of mud and leaves; some were built of mud, with a frame for the roof, covered with shingle.

2489. Was house-rent very exorbitantly high at the time you were there?—Very much so; I will relate an instance of it: I took down a house, the building of which cost in Calcutta about 400 or 500 rupees, or 50*l.* sterling; it contained four very small rooms, and a verandah that went the whole length of the building; that was let to a passenger after it was put up; it was very soon put up, and covered with shingle, and let for 15*l.* or 16*l.* a month.

2490. All your passengers did not make so good an investment as that?—These had been two brothers who had been able to get a lac of rupees, or 10,000*l.*, in the Calcutta lottery, and went down there to purchase land and farm; their names were Gleeson.

2491. Were the prices of all articles very high at the time?—I paid for meat 1*s.* per lb.; for kangaroo the same, very scarce; bread, very bad, was 6*d.* per lb. made from flour that was damaged; eggs were 8*d.* a piece.

2492. Generally speaking all articles of produce were exorbitantly high?—Yes.

2493. When you came away had you any difficulty in watering your ship?—Considerable difficulty.

2494. Was there no good water in the neighbourhood?—None whatever, at what they called the port.

2495. Where did you procure water from?—I landed my casks with my own boats, and sent them up by waggons to Adelaide, to what is called the River Torrens; and when the empty carts came from Adelaide for cargo, they brought my water down with them, for which I paid a guinea a cask.

2496. What was the whole expense of supplying your ship with water?—I think I had from 22 to 24 casks, and I paid as many guineas for them.

2497. Had you any difficulty in getting out again?—I got aground in getting out; I was lighter in going out, not above 14 feet; I took a cargo down belonging to Mr. Gleeson, consisting of rice, pork, sugar, beef, biscuit—I may say provisions generally.

2498. Is it your opinion, from the experience you have had in naval matters, that Adelaide is conveniently or advantageously situated as a commercial port?—By no means; where there is not a good harbour, it cannot thrive.

2499. Should you suppose that at any place in the mouth of the river there would be convenience for making a good port without a very enormous expense?—I feel convinced there are not any facilities for doing it.

2500. Did you examine what anchorage there was?—I went in a boat three or four times to sound; I wanted to make a sketch of the place, but it was not worth sketching. It never can be used by ships of any draft of water.

2501. So far as you ascertained by sounding, was the bottom sand?—It was sand; in the holes it was rock, and a kind of soft coral; when a ship got into those holes, hawsers were sent and made fast to mangoe trees on the shore to keep the ship exactly in those holes, or else she would be aground if she had any play.

2502. What sort of weather was it when you came in and went out?—On entering Spencer's Gulf, a gale of wind; I hove the ship to; I would not run in; I did not run in.

2503. When you did come in, was a heavy sea running?—Not after I got in, there was not.

2504. You think that in bad weather it would be a harbour very difficult of approach?—No ship dare run for it, for if she happened to miss it she would be lost.

2505. *Chairman.*] Have you heard of many large ships going from this country to Adelaide?—There were three when I was there, about the same time as I was, all in ballast.

2506. Was the Henry Porcher one?—Yes.

2507. What was her tonnage?—About 500 tons.

2508. The Eden?—Yes.

2509. Had they gone in light, or discharged their cargoes?—They went out principally with passengers.

2510. Do you know what the depth of their water was?—The Eden draws about 15 or 16 feet.

2511. Did she come in while you were there?—She came in while I was in.

2512. Did she go out while you were there?—No.

2513. Did she touch the ground in going in?—I think I heard the captain say so.

2514. Do you mean there is not room inside for a ship to swing at anchor without touching the ground?—I am quite certain of it.

2515. How far did this ship lie from you?—Two or three times my length; they were in the holes also. The stock of an anchor that was carried out was above water; that was the Henry Porcher.

2516. How many ships would lie in the harbour at a time?—There were three.

2517. How many could?—I should say probably five or six in these holes; I think, if I remember right, the large ship, Henry Porcher, was an Indiaman.

2518. Did you sound over the bar?—I did.

2519. What was the depth of water?—We had only 12 feet when we were aground.

2520. Did you go in a boat to sound, to ascertain whether there was any channel?—I did; there was a channel, but no channel for a ship of 16 feet.

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I found a small washway, but it was not long enough for a ship to have kept in that water.

2521. Is there much rise and fall of the tide?—Very little, not above four feet.

2522. Do you mean that you sounded at high water, and did not find 16 feet in the deepest part over the bar?—I am not sure it was exactly high water, the tide did not appear to flow regularly.

2523. How was the tide when you went, was it ebb or flood?—I should say when we went in it was half-flood.

2524. Therefore, probably there would have been two feet more over the bar?—I should consider not above one foot.

2525. Lord *Stanley*.] How long were you aground?—We lay aground about 12 hours the first time, and 20 the next.

2526. *Chairman*.] How far did the ship lie from the landing-place?—I was the sternmost ship, those that went in first got up as high as they could; I should say that I was about two miles and a half from the entrance of the canal.

2527. From the place where you land your cargo?—Three miles from there; the creek was near half a mile long.

2528. Do you know whether a new port or landing-place has been constructed two miles lower down the creek?—I have never seen that.

2529. Captain *A'Court*.] You have not heard of that?—No, I have not.

2530. Have you not heard that since 1838, ships have delivered cargoes at the wharf of the new port?—I have not.

2531. *Chairman*.] Do you mean that a ship that has delivered her cargo cannot get out of the harbour again if there is a ship waiting astern of her to deliver its cargo?—Where I lay, I do not think it could.

2532. Lord *Stanley*.] You were the last ship in, and the first out?—Yes.

2533. Captain *A'Court*.] Have you any interest in Adelaide or Van Diemen's Land; any property?—None whatever, I have never asked for my grant of land, which I should have, being an officer in the navy.

2534. Is it allotted to you?—Being an officer of the navy, I have a right to a grant of land in Van Diemen's Land or in New South Wales.

2535. Did you command a regular trader to Van Diemen's Land?—I did not.

2536. Is not Holdfast Bay a good roadstead?—No.

2537. What depth of water have you?—I anchored in about seven fathoms and a half.

2538. What bottom?—Sand and rocks, very clear water.

2539. You seem to have been very unfortunate in getting your ship ashore much oftener than other ships?—I am inclined to believe that it was not noticed by the other ships, for the persons that were commanders of them were interested; all that were there had bought land in the colony.

2540. Then you mean to say that they kept secret the badness of the roadstead?—I think so.

2541. *Chairman*.] When you left the harbour, did you warp the ship out stern foremost, or how did you get her out?—We warped her out stern foremost, till we came to a place where we could swing her, and she took the ground in swinging.

2542. How far had you to warp her before you made sail?—I should think three cables length.

2543. Then at three cables length from where she lay, she could swing?—We grounded in swinging.

2544. Captain *A'Court*.] You say you went to the town of Adelaide for water?—Yes.

2545. For what reason?—There was none at what is called the port.

2546. Might you have got it cheaper than a guinea a cask?—No.

2547. Could not you have sunk wells?—No.

2548. Did you try?—No; on a coral beach; my object was to get away as fast as I could; no one would think of sinking wells in a salt water sand where the water is brackish. If I could have got water without it, I should not have sent a boat up, which was away from the ship a whole night.

2549. Are you aware that ships water in any other way than that?—No, I am not.

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2550. In short, you do not appear to know much about this port; how long were you there?—Fourteen days.

2551. Can you warp into this creek?—We warped into this anchorage.

2552. By kedges or how?—By making fast to the trees; there are warping buoys to warp up by.

2553. What is the breadth of this creek?—From shore to shore, in some places half a mile, some less.

2554. What is the depth of water in the centre?—In some places three fathoms and a half, and in other places a fathom and a half.

2555. I suppose the fathom and a half was near the shore, and the three fathoms and a half were in the centre?—Half way over; I lay rather over to the western shore than not; I should say that half my ship's breast was about two feet water; you could not have swung her there.

2556. Why did you not lie in the middle of the stream?—Because in the middle of the stream there was not so much water as there was there; I had the harbour-master himself on board.

2557. You tell this Committee that where you lay, there was no room for a ship to swing?—I do; we did not swing there; I could not; when the pilot has the charge of the ship, the commander of the ship has very little to say.

Edward Gibbon Wakefield, Esq., called in; and Examined.

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2558. Sir *William Molesworth.*] WERE you originally connected with the formation of the colony in South Australia?—I took an active part in all the measures from the beginning, which led to the passing of the first South Australian Act.

2559. Have you continued to keep yourself acquainted with the state of that colony, and its affairs and connexions with this country?—Generally, I have; not in detail at all. I have received letters pretty constantly from the colony, which have informed me of the course of events there.

2560. The communications to the commissioners?—I have known generally here, by reading the reports of the commissioners and otherwise, what was going on; but I have had no knowledge of details.

2561. You have had a general knowledge of the affairs of that colony?—Only a general knowledge.

2562. You are acquainted, I believe, with the evidence which has been given before this Committee?—I have read it through, at your request, with a view to your examination of me to day.

2563. In reading that evidence, have you seen certain opinions given by the witnesses as to the cause of the financial embarrassments of that colony?—I have.

2564. Do you agree in the opinions given by those witnesses as to the cause of that financial embarrassment?—The opinions given by the different witnesses are so various, that I can hardly answer so general a question.

2565. Have you considered then the subject of the financial embarrassment of that colony?—I have considered it as it is now a matter of public conversation.

2566. Are you aware of the precise extent of the financial embarrassment?—Yes, I am.

2567. You said you have considered the subject; have you formed any opinion yourself as to the cause of this financial embarrassment?—I have, generally. It appears to me that the more immediate and obvious cause of the present financial difficulty, is the sudden and large expenditure of the local government. The more remote and less obvious causes of what has happened appear to me to consist of the inconsistencies and deficiencies of the whole arrangement with respect to authority embodied in the South Australian Acts.

2568. Do you now refer to the first South Australian Act?—To the first South Australian Act, certainly, and to what has taken place under that Act with respect to responsibility. It appears to me, that according to the manner, I will not say the system, in which South Australia has been governed and colonized, every body seems to have been relieved from responsibility to any body.

2569. Will you explain more fully what you mean, when you say that every body was relieved from responsibility to any body?—I should say, by

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way of example, the colony purports to be what is called a Crown Colony, and yet it is well known that the two governors of the colony were virtually appointed by the commissioners. The commissioners, who had entire authority with respect to the disposal of land and emigration, all that related to colonizing, were obviously on the face of the Act responsible to nobody but the Crown; and as the Crown from the beginning allowed them to do as they pleased, not merely with respect to the disposal of land and emigration, but with respect to the appointment of Crown officers, and instructions to those officers, there really was no responsibility in the commission.

2570. Did not that result from the provisions of the South Australian Act?—I think it resulted in a great measure from the provisions of the Act, but it resulted chiefly from the newness of the whole project. No great interest was felt upon the subject by any but a few persons, who might rather be deemed amateurs, desirous of trying an experiment in colonization; and I think that the commissioners were entirely let alone; that it was very natural in the Government, from time to time since their appointment, to leave them to their own management of that which the Government had never professed to think very well of, or to take any great interest in.

2571. Then you consider, if I understand you rightly, that it was a new experiment, and consequently there were great difficulties in it?—I do not think it has been beset by great difficulty. There appears to have been, partly through good fortune, a great facility in doing all that has been done; but I think it must have been plain to any one who had thoroughly examined the subject at that time, that the mode of management would not work well. I was myself examined before a Committee of the House of Commons of 1836, very soon after the appointment of the commission, and, I think, before any settlers had been despatched from this country; and in answer to a question that was then put to me, I said, "An Act of Parliament has been passed for South Australia, which fixes the minimum price of all land in that colony; which confides the selling of land to a Board of Commissioners; which compels those commissioners to make an annual report of all their proceedings; which, therefore, provides for publicity, but which leaves those commissioners without salaries; so that, in point of fact, the South Australian Commission is a dilettante commission, an amateur commission, a sort of a fancy commission. One of the members of that commission is also a Member of this Committee; and he will bear me out in stating, that there is no obligation on any one member of that commission to attend to the performance of the duties of the office."

2572. Were those not the results of the South Australian Act, and did you not take a part in obtaining that Act?—I took a very active part in the proceedings of the South Australian Association, at whose instance the Act was passed; and also in some previous measures of the same kind by a company called the South Australian Company, which had somewhat similar objects, but which did not accomplish them.

2573. Did you not perceive that all those evils would result from the provisions of the South Australian Act?—I always felt that there was great probability of evils resulting from the character of the arrangements made.

2574. Why did you assent to this arrangement?—The gentlemen who were interested in the subject, and who were headed by Mr. Whitmore, who was the chairman of the association, most of them at least, never supposed that they had got a perfect measure. The question was, whether they should take a measure such as they could get, or none at all, and the subject was then scarcely understood at all. If it had been as well understood then as it is now by persons in authority, and also by Members of the Legislature, I have no doubt a much better Act would have been framed; and the Act would not have consisted, as it did, in a great measure, of a number of compromises and sacrifices made by the promoters of the Act, in order to please this or that Member of either House of Legislature. I can give an example of one Member, which will show how mischievously the necessity of making these concessions operated. We were obliged to insert in the first Act, a provision that the colony should be erected into a province "or provinces." That was required by a Member of the House of Lords, and was assented to; the addition of "or provinces" was assented to to please that Member, and so in many other cases sacrifices were made. The most important sacrifice that was made was, I think, that nothing like responsibility was created within the colony on the part of the local government; that

that there was no control of any sort amongst the colonists over the public expenditure.

2575. Was it originally intended to have given a control to the inhabitants of the colony over the public expenditure?—I think the wish of the promoters of the project was to have adopted the principle which was pursued by this country in all its earlier measures of colonization; which, I believe, was invariably pursued by this country in founding colonies until the founding of New South Wales. I believe, that New South Wales was the first colony emanating from this country and composed of our race which did not take with it, and enjoy from the commencement of its career, one may say of its existence, a popular control over the local expenditure. That principle we were very desirous to see adopted, but many difficulties interposed themselves; and at last we were obliged to be content with what we could get. We got what we deemed a very important point, the main point indeed, which was an enactment that no land in that colony should be granted, that all the land should be sold, that it should be sold at a uniform price, and that the whole of the proceeds of the sales, the new fund to be created by sales of the land (no fund of that sort having existed in the British colonial empire till then), should be employed exclusively for emigration.

2576. Lord *Stanley.*] Was the provision of the Act that all land should be sold at a uniform price, or that no land should be sold below a minimum price?—The latter provision is unquestionably the one.

2577. It is desirable that you should be quite correct in stating what you did obtain?—I think, on recollection, the commissioners have power under the Act to sell either at a uniform price or by auction. On looking at the Act, I see that the commissioners under it were empowered to sell either at a uniform price or by auction.

2578. *Chairman.*] Not below a certain price in any case?—Not, under any circumstances, for a price of less than 12 *s.* an acre.

2579. Sir *William Molesworth.*] Nevertheless, the important principle was established, that the whole of the proceeds of the land should be applied to emigration?—That was deemed a very important point indeed; and upon the whole, considering all the circumstances, we were satisfied with the Act; but some of us, and I was one of that number, entertained doubts whether it would work well.

2580. Then, if I understand you rightly, you consider the first South Australian Act a sort of compromise, by means of which you established an important principle, but some of its provisions were very defective; and since that period, you have traced a portion of the embarrassment of the colony to the irresponsibility which has been produced by those provisions?—I think so; I myself have expected that the measure would not proceed smoothly, on account of the defects I have alluded to, and have not been at all surprised at what has taken place.

2581. Mr. *Vernon Smith.*] What induced you to accept this compromise if you foresaw the failure of it?—It would be too much to say that I foresaw the failure of what I have called the parts of the Act to which we were most attached; I think they have been very eminently successful.

2582. Will you point out to the Committee exactly what portion of the principles of which you were an advocate is illustrated in that Act which you thought it advisable to accept?—The universal sale of the land instead of the plan of granting, and the exclusive employment of the purchase-money as an emigration fund.

2583. Now point out those introductions into the Act which you think have led to the defeat of that experiment?—I think that the experiment has been very successful as respects the sale of land and the promotion of emigration. There is no instance in the history of our colonies of so great a progress made in the planting of people at a great distance from this country.

2584. But do you consider that that system, which is usually called the self-supporting system, has succeeded in this instance?—I never called it the self-supporting system; I look upon the calling of it a self-supporting system as a sort of puff. The only self-supporting colonies that I ever heard of, were those early colonies of England which maintained themselves without ever coming to the mother country at all. The only part of the South Australian plan which has been self-supporting, has been the emigration; but to say that this ever was

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a self-supporting colony, in the way in which that expression has been commonly used, is to say what I believe to be quite contrary to the fact, and what I have never been a party to expressing.

2585. Mr. *G. W. Wood.*] Was it not founded upon borrowed money?—The first expenses of the Government were entirely defrayed by borrowed money; and almost necessarily, when a colony is founded, the first expenses must be defrayed by borrowed money, or presented money, by money given as a gift, inasmuch as before the colony is founded there can be no revenue.

2586. Or supplied by the mother country?—That is, a gift instead of a loan.

2587. Do you think this colony would have succeeded without aid from one or other of those two sources?—I cannot imagine the possibility of founding a colony without obtaining money for its first expenses from some source other than itself. At first it has no existence at all; and one might as well propose to manufacture cotton goods without the outlay for the factory and machinery and the raw materials with which the goods are manufactured.

2588. Of the two modes of obtaining the requisite supply of money for the original outfit and early expenses, namely, either by borrowing money in the money market, or by such supplies being furnished by Government, which of those two plans do you think most eligible for a country to adopt in giving encouragement to the founding of a new colony?—In the case of the most successful of English colonies, the great colonies of North America, the Government of the mother country supplied nothing. The whole of the funds were found by persons interested in planting the colonies; and the mode of proceeding has produced a very great nation, as it may be considered, in a short period of time. It has one advantage at least, which is, that it renders the local government generally very economical. At the time of the revolutionary war, when the 13 English colonies of America possessed a population estimated at 3,000,000, the whole of their civil expenditure, according to Adam Smith, who is very accurate in statements of that sort, amounted to less than 100,000 *l.* a-year.

2589. *Chairman.*] Were you a party to the earliest application to Government for their sanction to the formation of this colony?—To the first.

2590. There has been laid before the Committee a letter from Colonel Torrens to Lord Goderich, dated the 9th of July 1832, transmitting a petition to the King in Council, for the grant of a charter, which, I believe, was the plan originally proposed?—That, I think, was the first attempt; and the proposed charter was to have been granted to a company, more after the fashion of the companies which established colonies in America.

2591. Was not the original project, that there should have been a company with a capital raised in this country, which capital would have been available for the early expenses of the colony?—Exactly; just as in the case of the Plymouth Company of Virginia.

2592. Why was that abandoned?—That was abandoned in consequence of Lord Goderich's disapproval of the charter, after a draft of it in a complete form had been transmitted to him.

2593. Does Lord Goderich object to that principle on which the colony was intended to be founded, or to certain points in the charter quite irrespective of the formation of a company?—I cannot well recollect; it is so long ago.

2594. Lord *Howick.*] Was it not one of the conditions Lord Goderich insisted on, in the first instance, that no step should be taken towards founding the colony until part of the capital required to meet the expenses should have been paid?—I think it was.

2595. *Chairman.*] Was not the same proposal made afterwards to Lord Stanley, and the same condition insisted on?—I have no doubt of it.

2596. Can you account for the abandonment of that part of the original scheme, as it appears that no objection was made to that on the part of Government, but, on the contrary, it was considered an indispensable condition to the sanction of the Government being given to the colony in the earlier stages of the application?—There were great difficulties in complying with the conditions required by Lord Goderich and Lord Stanley; and I think that a correspondence, which took place at the time, if it were laid before the Committee, would explain what those difficulties were. The papers which I have seen, which have been laid before Parliament, do not comprise any of the correspondence which took

took place during the first attempt, but begin with a memorandum of Lord Howick's, which was written towards the close of the proceedings of those who were endeavouring to obtain the assent of Government to their plan; those papers do not comprise that correspondence. I think that correspondence will show that the parties interested were placed in this difficulty: unless they had the assurance of the Government that the colony would be founded, it was impossible for them to induce capitalists to declare that they would advance money for the purpose of founding the colony: on the other hand, the Government said, "We will not take any steps towards founding a colony until you subscribe a capital;" so neither party being ready to take the first step, the project fell through.

2597. Do you mean that the parties who were originally willing to subscribe their capital, declined to do so on the conditions which Government imposed on the founders of the colony?—It is difficult for me to give a precise answer to any question about that correspondence, in consequence of the long time that has elapsed. I recollect at the time, that the feeling was that we had got into a circle and that we could not get out of it. I know that expression was used, that neither party would advance, and that therefore we could do nothing.

2598. Lord *Howick.*] Was not the feeling of the Government at that time, that they had no desire to found a colony, but on the other hand did not wish to throw any obstacle in the way of such an enterprise if private persons thought proper to adopt it?—I think it was.

2599. The Government did not wish to take any responsibility; and therefore insisted that persons should subscribe their capital before the Government sanctioned the scheme?—I think so.

2600. On the other hand, the persons who were engaged in getting up this plan, could not find capitalists who would subscribe the capital, unless on the responsibility of Government?—Unless the Government gave some positive pledge that the measure should proceed.

2601. The persons who were the real originators of the measure were not themselves the capitalists, and they could not induce capitalists to furnish the money unless the Government had first taken on itself the responsibility of sanctioning the scheme, of which they had little means of judging?—Some of them were capitalists to a considerable amount. I have since met, passing as citizens of the United States, several of them who, in consequence of their disappointment, emigrated with very considerable capital, and established themselves in the western part of the United States: a very considerable body was collected for carrying out the first project.

2602. Mr. *G. W. Wood.*] Do you think the plan by which the ultimate supply of money was obtained was a judicious one?—I think not; I have said that the scheme, taken as a whole, appears to me very defective.

2603. Was it fallacious to depend on obtaining supplies on a loan in the money-market?—I think certainly not. If the Government had taken an interest about the colony, and had been disposed to raise the necessary funds by loan, charging them upon the colony, instead of giving the money, as had been done in other colonies, it appears to me that would not have been a bad plan.

2604. Do you mean a Government guarantee?—Of course.

2605. That is equivalent to a supply from the Government itself?—Not equivalent to a supply from Government itself if charged on the colony. It has happened before now, that Government has advanced money for colonial purposes, charging the colony with the debt. I think, but am not certain, that that may have been the case with the great public works in Canada.

2606. You think the most desirable plan would have been to have borrowed the money on a guarantee to Government, but to have charged it as a repayment to be paid by the colony when able to do so?—I do not know whether that would have been the most desirable plan. I think if Government had been in earnest in forming the colony of South Australia in the most successful way, that course might have been very beneficial.

2607. You think it would probably have obviated any existing difficulty?—Not if many other defects in the whole arrangement had been left to operate as hurtfully as they have done.

2608. Lord *Howick.*] If the original price fixed on land had been somewhat higher, and a definite portion of that price applied to the expense of

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founding the colony, would not this have been a better course than borrowing money for these purposes at so high a rate as 10 per cent?—I think it might, provided there had been a number of persons sufficiently conversant with the subject, who would be ready to pay the higher price, and provided they could have had confidence in the intention of the Government, and the desire of the Government to carry out the whole measure in the best possible way.

2609. Lord *Stanley.*] In point of fact, were persons found willing at the first outset of the colony, to pay even the price of 20 *s.*; was it not necessary to give a bonus to those who embarked their capital, by purchasing at 12 *s.* per acre, and then raising it immediately afterwards to 20 *s.*?—I think the selling of the first quantity of land at 12 *s.* an acre, and immediately rising the price to 20 *s.*, was in the character of what is commonly called a job.

2610. Do you think at that period if you had fixed the minimum price of the land at 20 *s.*, or rather higher than 20 *s.*, you would have got the same number of people to emigrate on speculation?—I think so; and perhaps I may be allowed to take this opportunity of requesting the Committee to let me deliver a copy of a letter which I wrote to the commissioners before they had fixed the price of land. It relates almost entirely to this subject of the price of land, and more especially to the question which was just put to me by the Honourable Member.

Vide Appendix, p. 332.

[*The same was delivered in.*]

2611. *Chairman.*] I see in the original draft of the charter transmitted to Lord Goderich, as accompanying the first application, the proposal was, that "all the lands in the said province (except only such as shall be selected for purchase by the company in manner hereafter provided, in exercise of the right of selection or pre-emption reserved to them,) shall from time to time be put up for sale by public auction, under such regulations as the company shall provide." In fact, the principle embodied in the original charter was the principle acted on in New South Wales, of selling not at a uniform price, but putting up all the land at a minimum price, and selling it by an auction to the highest bidder; why was that abandoned?—It was not completely abandoned, since in the South Australian Act the commissioners had the option of selling at a fixed price or by auction, but how that provision got into the first proposal I cannot state. When my attention was first drawn to this subject, I saw that the plan of auction was adopted by the United States; and it was not till several years afterwards that I became convinced, according to my judgment, that the plan of auction was a bad one, compared with selling the land at a uniform price.

2612. Do you not think that if the provisions in the original charter had been adhered to, the land sales would have exceeded the amount to which they have risen?—I scarcely think they would.

2613. Are you aware what the average price of land in South Australia has been in the hands of persons who purchased at 12 *s.* an acre?—I have no doubt it has been very high, but it was the prospect of that very high profit that induced persons to pay the price that they did pay; and in point of fact the sole inducement to purchase land in the colony by capitalists in this country, is the prospect of a very great increase in the price as soon as population becomes fixed on the land. So with respect to emigration, a man does not emigrate without some very strong motive, and I think one of the great motives of emigration among the persons who have established South Australia, was the prospect of a large and rapid increase in the value of the land.

2614. Lord *Howick.*] You say it was necessary to give a great advantage to capitalists; do you think it was necessary to give to some capitalists a greater advantage than to others, by establishing a regulation which acted like a lottery?—I do not see in what way.

2615. You are aware that the original purchasers balloted for priority of choice of land, and that the early numbers in that ballot were immediately capable of being sold at a great advance, before any steps had been taken towards establishing the colony?—Yes, I am aware of that.

2616. Did not the fortunate drawers of those numbers obtain a very large premium at the expense of their fellow-adventurers in this scheme?—I do not think it was at all at the expense of their fellow-adventurers.

2617. At whose expense, then, was it they obtained this large premium?—I think at nobody's expense; the best portions of a town are necessarily of a very

a very limited quantity, and if there be a prospect of a town being established anywhere, certain spots likely to be most valuable possess a prospective value, which people are ready to give; the drawer of a good right of choice only obtains that which some one was glad to give him, with a view to carrying on trade, perhaps.

2618. Are you aware that in the foundation of the town of Melbourne, at Port Phillip, 2,469 acres were sold, within five miles of that town, at an average price of 10*l.* 9*s.* an acre, realizing nearly 26,000 *l.* towards the expenses of that colony; but by adopting the plan that was adopted at Adelaide, this same land would only have produced 2,469 *l.*, or not so much, in the first instance? —I can quite understand that. In that case the Government undertook the work of colonizing; which comprises the selection of spots for towns, laying of them out, the selling of them by auction and in other ways; I have no doubt that very large sums might be acquired by Government in that manner, because, in point of fact, that is just what a colonizing company does. It is taking advantage, a very fair advantage, of the superior prospective value of certain spots.

2619. It appears by the evidence which has been given before this Committee, that in Adelaide the value of land immediately around the town was worth pretty nearly about the same sum as that round the town of Melbourne; but at Adelaide this advantage went to the fortunate drawers of the earliest right of selection?—Undoubtedly.

2620. Instead of giving to the public expenses of the colony the advantage derived from the great superiority in the value of the land immediately around the town, as compared with land at a greater distance, it was entirely enjoyed by certain fortunate adventurers instead of the public?—No doubt it was enjoyed by such persons.

2621. Was not that a distinct loss to the society at large, to the whole body of adventurers?—As I said before, it might not be, because there might have been no colony at all but for the temptation held out to the advance of capital and emigration by the prospect of obtaining that large premium for the most beneficially situated lands.

2622. Lord *Stanley.*] You stated just now that, in your opinion, the price was unnecessarily lowered to 12*s.*, and that the minimum of 20*s.* would have produced an equal number of persons willing to invest their capital?—I think so.

2623. If therefore the minimum price of land might safely be fixed at 20*s.*, and as large a number of persons would have been as willing to purchase at 20*s.*, and if there was a great discrepancy in the value of the lots, the least valuable of them being worth 20*s.*, is it not clear that all the difference between 20*s.* and the highest value attached to the most valuable, was lost to the public, and the advantage gained by those who were fortunate enough to obtain those lots? —I think not, because persons will not advance their money in colonial speculations, or leave their country for what may be called the ordinary commercial profit. It was the hope of obtaining a very high premium on favourably situated lands that induced persons to purchase at all. I think they would quite as readily have given 20*s.* as 12*s.*, because the difference between 20*s.* and 12*s.* for land on which a large fund is about to be expended in emigration, is a matter of really no consequence at all to the purchaser.

2624. Are you of opinion then that the principle of lottery, giving a very large profit to certain persons, and compelling others to content themselves with a very moderate profit, was an essential condition on which the success of the foundation of the colony was to be expected?—Not at all; my own opinion is, that the commissioners travelled out of their proper jurisdiction when they founded a town at all, and created these values, when they established a town with town lots, and a lottery for priority of choice; I think that is the business of individuals and companies, and not the business of the State, which was represented by these commissioners.

2625. Did you not state just now, that parties would not have been induced to take out their capital except with the prospect of obtaining some very large advantages arising out of the purchase of lots, afterwards so very valuable, for a very inferior consideration?—Yes, I think so; I think that is scarcely at variance with my last answer, because, supposing the commissioners had freely offered land for sale on the principle "first come first served," at a fixed

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price, companies such as the South Australian Company would have purchased large lots and founded towns, with a view to the very high profit they would expect to derive if they were successful in establishing a town.

2626. You say, adopting the principle of "first come first served;" must not the practice have been that a body of emigrants going out together can only deal for lands in one of two ways, namely, the receiving at a uniform price by lots, there being no priority of claim, or else by public auction, the land selling at the maximum price that it will fetch; and in the former of those two methods is not a great gain derived by individuals, and consequent loss sustained to the public?—I cannot see how the gain of the individual was a loss to the public; it was the prospect of that gain that appears to me the means by which the colony was founded at all.

2627. Will you explain that answer?—I think that unless the persons who purchased the first lands had had the prospect of making a very high profit by their investment they would not have been disposed to enter into so very riskful a speculation as the planting of a colony is.

2628. In what manner could they have obtained that advantage among parties going out together, where there was no priority of claim, except on the principle of allotment?—They could have gained it in this manner, as I endeavoured to explain before, by forming themselves into a company, by purchasing a very large block of land at the uniform price, and by then reselling it at what may be called town improvement value.

2629. Do you mean re-selling it among themselves?—Re-selling it to other parties.

2630. In what manner could there have been a gain to one of the original colonists over another original colonist, except on the principle that was adopted of allotment?—In the case which I supposed just now they would have proceeded by clubbing their capital, and the gain must have been divided amongst them in the form of dividend, or something of that kind; but I will suppose the case of an individual having himself purchased the site of Adelaide, supposing always that Adelaide is the best site for the town of South Australia, he would have made a very great profit. I will suppose that he had laid out 100,000*l.* or 200,000*l.*, he would have made a great profit by the re-sale of his lands.

2631. Would not permitting any individual to obtain the site of Adelaide in the first instance, without admitting competition on the part of other persons, have been, in proportion as it was a great advantage to that individual, a great injustice to other persons, and consequent loss to the public of the whole of the money that might have been realized?—I think not, because the public would have got the large amount of money which the individual would have paid, and which would have formed an emigration fund for the purpose of creating the colony.

2632. Mr. *G. W. Wood.*] Does the adoption of a uniform price require, to make it a judicious course, that there should be a large colonization company formed with a view to conduct the founding of the colony on sound and beneficial principles?—I think that colonies are much better founded when companies assist; because one sees in the case of the United States, where the government, the state, does not determine where people should live, they suppose that people will best determine that themselves, and the state sells land to companies or individuals who form towns in favourable spots, and obtain a very large profit by the resale of the lands.

2633. Does not the establishment of a uniform price entail the necessity of selling land below its marketable value, supposing a colony to be about to be founded?—I do not think that it has any marketable value at first; it has no value at first; it has a prospective value, and the prospective value is, at least in the opinion of those who think favourably of the project, equal to the lowest price that the state has engaged to sell lands at; it has no other marketable value; after the property of particular individuals has been determined, so that some get a better position than others, then the superior position possesses a marketable value; and in that sense there is no doubt that the plan of a uniform price involves the selling of land at less than the market value of certain portions of land.

2634. Is it your opinion that the advantage of that difference in price is more beneficially with the original purchasers than with the government?—I think with

with individuals. Where the selling of land, where colonizing in short is carried on upon a greater scale than anywhere else, in the western portion of the United States (and there the government does not interfere as to where the town should be, or endeavour to persuade people to settle on this or that spot, but it puts up all the land to auction at a known upset price); if persons bid at the auction over each other, the highest bidder gets the land that he has bid for; as soon as the sale by auction is over, any person can purchase any quantity of the land that had been put up by auction, and not sold at the minimum; but it curiously happens that in the United States the selling price very little exceeds the upset price. The selling price at which the land is actually sold is generally just above the upset price; the upset price is 5 *s.* 7 ½ *d.* an acre, and the ordinary selling price is perhaps 6 *s.* an acre; I think not more than that; there is no real competition.

2635. Lord *Howick.*] When you say that the price is about 6 *s.* an acre, that is, calculating the average on the total amount of the sales?—Yes, none being sold under the minimum.

2636. Does not that arise from the fact that large quantities of land are sold at the minimum, and then particular portions of land which offer a favourable opportunity for speculating on the creation of towns, are sold very greatly indeed above that price, so that when the excess is distributed over a large quantity, it gives the result you have stated as the average?—I am not competent to speak with anything like certainty on this point; but my impression is, that the greater part of the lands purchased with a view to towns, are purchased at very little above the minimum; they are purchased by parties who explore the country and find out sooner than anybody else where the fork of two rivers or some great water-power is; and then before these spots are generally known they form a company in one of the eastern cities, and the land is bought at very little more than the minimum price.

2637. Lord *Stanley.*] Is that minimum upset price a determined price?—Yes, it is determined by Congress.

2638. Under that system in America, do you think such enormous and immediate profits could have been made by companies as have been made in South Australia?—I think much greater; I think if you could get a history of the sales of land in Rochester and Buffalo, and in a great many other towns and cities which have grown up in our own time from the forest, you would find there were great premiums. If South Australia goes on, a few years hence you will find the most valuable spots there selling at thousands of pounds per acre.

2639. That arises from the ignorance of the competitors at the auction?—The competitors at the auction cannot be certain that a town will be formed there; the formation of such a place as Buffalo requires a very large capital, which is furnished by some powerful company in the eastern states.

2640. Lord *Howick.*] Then the system in the United States is, that the surveys are very greatly in advance of the demand for land?—No doubt.

2641. And then land is put up in much greater quantities than can be bought by the public; and in the period between the periodical sales, any person can claim the land once offered for sale?—No doubt a quantity is always kept in excess by a very good system of surveys; the system of survey has received a great deal of attention by the Legislature of the United States, and it is carried on very cheaply and very actively.

2642. Mr. *G. Hope.*] When you spoke of an average of 6 *s.* an acre, can you give the Committee any idea over what number of acres of land that average runs?—I cannot tell; but there is in a Report of a Committee of the House of Commons, which sat in 1836, a body of evidence relating to the whole system of disposing of land in the United States, which, I believe, is very much to be relied on; the name of the witness was Stephenson.

2643. Mr. *G. W. Wood.*] Will you repeat the grounds on which you think a uniform price is better than a price established by auction, with a minimum price, as the principle on which to regulate the sale of lands in a colony about to be founded as South Australia was?—I have not mentioned any ground of preference; I think I have not given any opinion.

2644. I understood you to say that you thought the fixing of a uniform price better than fixing a price by auction with a minimum price?—No, I did not express any opinion. The question of auction is a very extensive one. The

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question of the difference between an auction and a uniform price is a very extensive one, into which I have not yet entered.

2645. Have you formed any definite opinion as to the preferable character of one of these two modes over the other?—Yes, I have.

2646. Lord *Howick.*] Is there not this difference between the system you have now described with reference to the United States and that taken in the formation of the colony of South Australia, that in the one an advantage is given to persons for their superior knowledge and discernment in choosing land, but in the case of South Australia it was a mere question of chance, and the advantage was given to the fortunate drawers of early numbers in this ballot for the priority of selection?—No doubt that was the case, because the commissioners chose to do the business of a land company. An American Land Company will, when it resells its land, have lotteries, and proceed in various ways. The commissioners did the business of a land company when they set up a lottery at all.

2647. In the first formation of South Australia, was there not 35,000*l.* worth of land sold in lots of 135 acres each, which parties were to choose in the order in which their names came up in this ballot; so that there would be about 400 or 500 lots of land to be disposed of?—Yes, I think that was the case.

2648. Was it possible, in any manner of proceeding, to place such a number of lots of land open for selection without giving the first choosers a great advantage over the others, even though no town had been originally marked out by the commissioners?—Under any circumstances the first purchasers would have had the first choice, and they would have chosen those lands which afterwards they would expect to increase most rapidly in value.

2649. In the first formation of a colony is it possible to have first purchasers; must there not be a large number of contemporaneous purchasers?—I think they are not contemporaneous if they pay one at a time, although they may all come on the same day, at any rate within the same month. If the principle of "first come first served" were adopted the money would be received, the assignment of the land would be given in return for it, and the person who had paid the first would be entitled to choose first among the sections of land: but then all these questions depend entirely on one which has not yet been touched, which is, whether you are dealing with a surveyed country or not. Talking of these questions without settling first whether the country is supposed to be at all surveyed, is like talking about dealings with money that has not been counted. If the country is supposed to have been all surveyed regularly before anything is done, then you may conclude that a very different process might be adopted from one that would be good in case no survey at all has taken place.

2650. Then you consider it a great error in the formation of this colony that any measures were adopted until a previous survey had been effected?—I think in any case. I would only say about South Australia, upon the whole I am sufficiently well pleased with what has been done there, to be glad that it was founded as it was, rather than not founded at all. I think it would not have been founded under the circumstances of the then state of knowledge on the subject, if a previous survey had been insisted on by the Government.

2651. Are you not aware that in the discussion between the Government and the original founders of this colony, one of the main objections taken by Lord Goderich to the scheme was the want of accurate exploration of the country, and sufficient surveys?—I think the objection of Lord Goderich was to the want of an exploration of the country with respect to its natural features. I do not think that the necessity of an accurate survey, with a view to the disposal of land, had at all occurred to Lord Goderich.

2652. *Chairman.*] Are you aware of the practice that has governed the disposal of land at Port Phillip?—Generally.

2653. Have you seen a copy of a despatch lately presented to Parliament, from Sir George Gipps?—I have not read it.

2654. It is there stated, that although no land in Port Phillip had been sold, with the exception of a few town lots, when he entered the government in 1838, there had been sold in September 1840, 159,000 acres, and the net amount realized was 312,760*l.* 10*s.* 7*d.*; being at the average rate of 1*l.* 19*s.* 2*d.* an acre, which sum has been realized for the benefit of that settlement;

settlement; do you know on what principle that land was sold?—I believe by auction.

2655. Do you know at what upset price?—I do not recollect; at 12 *s.* an acre I think it was.

2656. Comparing the result of the system adopted at Port Phillip with that adopted at Adelaide, has not the settlement at Port Phillip derived a greater benefit from the sale of public lands than the colony of South Australia?—No doubt it has, because in the case of Port Phillip the Government has done that which the land company or an individual commonly does; it has got the premium profit for favourable positions.

2657. Lord *Howick.*] That premium profit has been applied in meeting the early expenses of the settlement?—I suppose it has, but then this should be taken into consideration; Port Phillip is only an emanation from two old colonies long established, and the circumstances were very different in the case of South Australia. In the latter case the object and proposal was to go to a place that was scarcely known at all.

2658. *Chairman.*] Do you mean, confining yourself to the question of disposal of land, that the system adopted at Port Phillip could not have been adopted at South Australia?—I think it might have been adopted, but it would not have produced so large a profit.

2659. Because so much land would not have been sold?—It is obvious that a large fund was produced by competition; there was competition at Melbourne, because a number of people had flocked in from the adjoining colonies possessed of considerable capital, and they bid against each other; but it was wholly out of the case that persons in London who had never seen South Australia, should bid against each other for lands which could not be assigned to them. I believe in the case of Melbourne, the land was pointed out and surveyed, and people knew what lots they were bidding for. In the case of South Australia it was all speculative.

2660. Lord *Howick.*] In the case of Adelaide the land was ready for selection, and the parties on the spot able to select it; if, instead of determining the priority of selection by ballot, it had been determined by auction, would not a large sum have been realized for the Government?—No doubt to a certain extent a sum was so realized; they did sell half the town by auction, and I think the average price obtained was over 6 *l.* per acre, though the general price of the colony was only 12 *s.*

2661. Lord *Stanley.*] With regard to the general land sold in South Australia, the profit premium, which in the case of Port Phillip you say went to the advantage of the public, went into the pockets of the fortunate drawers?—No doubt.

2662. Mr. *G. W. Wood.*] Do you consider the plan adopted at Port Phillip the more judicious of the two for that colony, under the circumstances in which it was planted?—I consider we have hardly had an opportunity of judging how that will work in Port Phillip any more than South Australia. I have no very decided opinion on the subject. I have not formed a very decided opinion as to whether, under certain circumstances and certain purposes, it would not be desirable to use the auction plan in the case of towns. If Government is to found the towns, then it ought to get a premium for favourable portions. The difficulty that I see about an auction generally is, that it seems to me contrary to the principle upon which you require any price at all for waste land. It should be recollected, that the requiring of a price, at least by our own Government, is something quite new; it was never thought of until the Noble Member for Northumberland, and Lord Goderich, in 1831, framed regulations for the purpose of establishing a system of sale. It is something quite new; it is a new notion for this country. In the United States it is not: in the United States they have been accustomed to sell for 40 years. The universal belief, or common opinion in this country 12 years ago, was, that it was very inexpedient to tax new settlers, emigrants, or any such people, by making them pay for their land. The right thing to do was, to give them the land, and let them keep their capital to work it with: so every body thought. There seems to be a great deal of truth in that. When a state possesses this large waste territory, they should allow people to use it at the least cost to them, and with the largest capital; by taking as little of their capital as possible from them in the shape of price. But there must be some object in exacting any price at all. That object

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appears, to my mind, to be to keep society together, to prevent society from retrograding into what is called the primitive state, to provide society with labouring hands, with the means of employing a number of people together in particular works, which never has been done in countries where land was very cheap, except by means of some kind of slavery. That being the object, the question with me has been, what price will be sufficient for that purpose. If the right price had been got at, then it would appear to me unwise, or at all events unnecessary, to take any more from anybody, unless this were determined to be the best mode of getting revenue for ordinary purposes. That might be determined; but I mean to say, as respects the matter of price only, the object should be to take just what was enough, and no more than enough. Now it is plain that the way in which price operates on what I have called keeping society together, is by preventing the labouring man from becoming a landowner immediately on his arrival in the colony. It keeps him in a state of what may be called that natural subordination in which the greater part of mankind always have been, and probably always will be, to the smaller part. Then if the price be sufficient to keep him for three years, I will say, or four or five, in the state of a hired labourer, by subjecting the land to a real auction, to competition, he may be made to pay a higher price. But that will depend on the quantity. If the quantity was so restricted as to create competition, by which alone you could get any higher than the up-set price, then you would make the whole labouring class pay more than was necessary for the general purpose, and would keep them for a greater number of years in the state of labourers for hire. So that it appears to me that the auction plan, except for towns and suburban lands, under peculiar circumstances, is apt to operate as a very heavy tax, and principally upon the labouring classes; upon that class whose change of existence from labourer to landowner depends entirely on the price of land. That is my great objection to the plan of auction.

2663. *Chairman.*] But in the case of towns, you think an exception should be made to the practice of selling at a uniform rate?—I think so, certainly, supposing it should be deemed right that the Government should undertake these colonizing operations, which upon the whole, I think, are better done by individuals and companies.

2664. Ought not the same exception to be made, for the same reason, with respect to lands situate near towns, and which have acquired an increased market value?—The question with me is, whether they are lands likely to be wanted or purchased by persons of the labouring classes; and again, I feel the inconvenience of talking on this subject without having first settled whether the country is to be supposed surveyed or not. I will suppose the country surveyed. If the country be surveyed, the quantity put up for sale must be supposed to be unlimited, when the whole of it would be always open to sale at certain periods, when persons might bid against each other. In that case little more than the up-set price would be got, as to the great bulk. The labouring man would always get land at the minimum: he would wait till after the auction; and it is the minimum that determines the period of the labouring man's natural slavery. Then, on the other hand, if the system of auction be adopted with effect, if a greater price be got by means of competition, the labouring man is heavily taxed. If not, the system of auction does not produce anything more, or at any rate much more, than the up-set price. And then supposing it is not attended with some considerable advantages, it is attended with some considerable disadvantages. These are, of necessity, the notice and waiting. It has been found very inconvenient in New South Wales, on settlers arriving there, to have to wait; because without notice an auction is only nominal. It has been found very inconvenient in Canada; settlers have been kept in Montreal waiting for the public sales. Those are inconveniences over and above the main objection; and unless there be some considerable advantage about auction, it appears to me undesirable on account of the other disadvantages attending it. Then it has another very bad effect. A person of superior knowledge goes out to explore the country, and he goes to some expense, and he discovers a portion of land that he thinks very valuable, or more valuable than other spots, and he spends his experience, knowledge, and money, in making this discovery; he comes to the land-office with a view of buying this land, but he is obliged to wait till it is put up to auction, either till the authorities choose to put it up, or it is put up on his application. If it be put up on his application, people say,

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this man understands the choosing of land very well; no doubt he has found a good place. They bid against him, and perhaps he does not get the land he wants: that has happened in New South Wales to a considerable extent. It does not happen in Canada and America, because public opinion will not let it happen. There is a class of people in the United States and in Canada who live by going to land auctions, and getting a small bribe from real purchasers on condition that they should not bid. This shows that, generally speaking, there is no real bidding. The hardship upon the individual who had taken great pains to select a particular spot, of having that spot seized away from him by some one who happens to have a little more money, or chooses to give more, would be so great in the western parts of the United States, that Lynch law would intervene; and I believe that is one reason why the fact is, that the selling price in the United States very little exceeds the up-set price.

2665. In order to avoid that evil, must you not superinduce on a uniform price the right of pre-emption on the part of the person who has first looked at the ground; how does a uniform price prevent a stranger going into the public office, and buying the land in preference to a person who has viewed it with an intention to purchase?—If the price was uniform it would be, "First come first served."

2666. Might not the person who had selected it find that somebody had been before and had bought that land?—That is just possible, not very probable.

2667. Mr. *Vernon Smith.*] What is the disadvantage to the public in the case of a person in New South Wales who has selected a good piece of land being defeated in the competition of the auction?—His disappointment, and the disappointment of others in similar situations, which instead of making colonization popular would deter others from it.

2668. *Chairman.*] You state it as a hardship to the individual rather than to the public?—It is to any individual in that situation, and it would have a deterring effect.

2669. Mr. *Vernon Smith.*] It would deter generally in competition?—It would have a deterring effect.

2670. Lord *Howick.*] With respect to the disadvantages that you have now described as attendant on the system of auction as practised in New South Wales, namely, the delay in obtaining land and the disappointment to the person who has discovered good land in being outbid by another person, are not those disadvantages completely obviated by the American plan of having the surveys well in advance, and, in the interval between periodical sales, land which has once been offered to auction, open to the demand of any applicant?—That does not prevent a person who had set his heart upon some particular spot of land from being outbidden at the auction; it does not prevent persons from being disappointed. It does not prevent persons from being disappointed if they are both desirous of obtaining the land at the same moment; but it enables the person who has discovered land, by not bidding at the auction, and waiting till the auction is over, to get the land at his own price, in case no one at the auction chooses to have the land.

2671. If another person has equally with himself made a discovery of the advantage of the land, then it must be a contest between the two; but if he has alone made the discovery, then by not bidding, he will, the moment the auction is over, have the advantage of his own skill?—By not bidding, he conceals from the public his wish to acquire that spot of land.

2672. Is that the way in which it works in America; that persons who have superior skill in choosing land avail themselves of the advantages of that skill?—I dare say it may be. Every question again turns on whether or not the country be surveyed.

2673. I am assuming all through that the country is surveyed, and the survey is far in advance, and the land open for purchase?—In answering a question about America, practically there are cases in Canada and America too in which persons are not able to get their land at the auction, by concealing their wish to obtain it; because the surveys in America, though very extensive, do not comprise all the land that people wish to have; the quantity of squatted land is immense. A man squats, and then, if he comes near an auction, or whether he goes near to it or not, if the country upon which he squats is brought into sale, people know very well indeed that he will

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want that land; and he is apt to be outbidden by some one, who would take the land from him. That has produced such evils in America, that three years ago they altered their legislation on an important part of the subject; they passed a law, giving the pre-emptive right to the squatter, which has had a very bad effect in many respects; it has spread the people out into the wilderness. Now, in the United States, as respects squatted land, there is no auction, for the person who squats on the land first has the preference.

2674. With reference to what you conceive to be the view in selling lands, is it not impolitic to afford encouragement to squatters?—Very.

2675. On the other system, is not encouragement given to persons having skill in the choice of land?—Yes, supposing always that the extent of survey was very large.

2676. You said that the auction had really practically no effect unless the land put up for sale was limited below what was required, so as to pay a price above the minimum?—Yes.

2677. But would it not have this effect, supposing the quantity put up for sale to be greatly above the demand, that it would secure to the public the special advantage of all that land that was better than the average quality?—Certainly.

2678. And considering the heavy demands there are for various expenses in the early stages of the settlement of a colony, is it not desirable to realize as large a fund as possible from the sale of land, consistently with the objects for which that sale is established?—Undoubtedly it is; there is no doubt that the adoption of the plan of auction, with such precautions as should prevent its operating as a hardship on the labouring class, would be a very valuable improvement on anything that has been done. Only take care that it does not tax the labouring man, and keep him in a state of subjection longer than need be.

2679. Mr. *G. W. Wood.*] On the whole, do you think the plan of uniform price would have been the best of those two plans to have been adopted for the colony of South Australia when it was founded?—I think when the colony of South Australia was founded, the subject was so little understood and so little cared for by anybody, that one can hardly tell what would have been the best plan. The public themselves did not know how to deal with one of those cases; they did not know which was the best plan for them. Buyers were not sufficiently conversant with the subject to be influenced by one plan or another plan.

2680. But with the benefit of subsequent experience, which of the two plans do you think now would have been best?—I think that the best plan would have been to obtain for general government purposes whatever premium price for superior positions could have been got, taking care that the prices were not so fixed as to prevent the poorer classes of people from becoming landowners as soon as they could become landowners consistently with the preservation of a civilized state of society.

2681. Of course you mean, in either case, that the whole proceeds derived from the sale of lands by Government should be applied to the benefit of the colony, either in promoting emigration or in administering good government?—I believe myself, and I have said so before a Committee of the House of Commons several years ago, that if persons in authority would bestow their serious attention on this subject, the waste lands of the colonies are a mine of wealth from which very great revenues might be contributed, even to the mother country, without injury to anybody.

2682. They would even afford a surplus, doing ample justice to the colony?—I think so.

2683. Is it not essential to the principle of a uniform price, that the land should be sold in large blocks?—I do not think so.

2684. Did you not object to the Colonization Commissioners having sold land in small blocks, that it was foreign to their duties as commissioners having to sell at a uniform price?—I thought that their selling a town, and entering into the operations of a land company was foreign to their duties.

2685. Then even with a uniform price, you think that the land might be advantageously sold in small lots?—Yes, I think so; the lot should not be so large to make the purchase of one lot inconvenient for a labouring man, when he had saved enough out of his wages to purchase land with.

2686. Lord *Stanley.*] The whole of the evidence you have been giving now rests on the supposition that the land has been previously surveyed?—Yes.

2687. In what manner, in the first foundation of a new colony, would you provide for the survey of the land?—It can only be provided for by a considerable outlay from some source or other.

2687*. In what mode do you think that outlay ought to be provided for?—So much depends on whether the authority of the State was seriously engaged in colonization, as it is in taking care to have a good fleet and army, and good judges, and many other functionaries, but which it has never been in this country. If the State was thus interested, then it appears to me that so many advantages would result from colonizing, that money might be properly advanced for the necessary surveys by the State, and by contributions from the whole people of the mother country, which would be so much benefited by the spread of colonization.

2688. Do you contemplate that the first outfit of the colony ought to be provided from the mother country by way of grant or loan?—The outfit for public purposes. Then it appears to me, as respects the future, that it would be very desirable to saddle the colony, when it grew rich, with the ultimate redemption of the purchase-money of its existence, by means of a loan, and, therefore, by means of a colonial debt, which the colony should be held bound to pay off when it could.

2688*. Among the heads of expenditure involved in the outfit of a colony, would you comprise the survey of the waste lands?—Certainly.

2689. Supposing the principle of applying the proceeds to emigration to be adopted, would you contemplate the application of the net proceeds or of the gross proceeds, after deducting the expense of the survey; in other words, would you consider the expense of the survey as chargeable on the land fund, or chargeable on the general revenues of the colony?—That depends on the settlement of one or two previous questions. If the expense of the survey were an addition to whatever might be the price, then I see not the slightest objection, on the contrary, a considerable benefit, in charging the land with the expense of the survey; but if, according to the other expression, the emigration fund were only to be the net produce of sales of variable amount, depending on the amount from time to time of the expense of surveys, then there appears to me, a considerable objection to rendering the land fund liable to the expense of the surveys.

2690. But I understand you not to object to the principle of deducting the expense of the surveys from the proceeds of land applicable to the purpose of emigration, provided it be done by a rateable deduction; would you *pro tanto* add to the gross price received, or diminish from the net price?—Certainly not; because the question supposes that after all the amount of the emigration fund would be fixed. The amount of the labour fund would be constantly the same, so that everybody would know what it was. The labour fund, per acre, would be constant; and then there is not the slightest objection.

2691. The meaning of my question was this, supposing in the one case 20*s.* per acre had been the minimum price, would you object to make the price 25 *s.*, deducting 5 *s.* from the amount which would otherwise be applicable to emigration, and giving that 5 *s.* as the expense of the survey?—Not in the least; it seems quite reasonable.

2692. *Chairman.*] Do you mean, after having fixed a sufficient price for land, you would not object to add to that sufficient price in order to defray the expense of surveys?—Not at all; it seems to be a step that ought to be taken.

2693. Mr. *G. W. Wood.*] You would create two funds out of land sales; one applicable to emigration, and the other to the expense of the surveys?—Yes, the amount of the emigration fund, in proportion to land, being always constant, and therefore known, so that every man in buying would know how many persons his money would take into the colony.

2694. Lord *Stanley.*] With reference to South Australia, have you calculated whether the expense of the survey could be charged on the price of the land, leaving, at the same time, a sufficient surplus to carry on the stream of emigration, on which the prosperity of the colony depended?—I have always been of opinion, that the price in South Australia, is insufficient for that purpose; therefore, any deduction from it would be injurious.

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2695. Your mode, then, of carrying the plan into operation would be by considerably raising the existing minimum price of land?—Yes.

2696. To what extent do you think it would be safe or practicable to raise that minimum price, without involving the consequences to which you adverted, of keeping the emigrant in a state which you term one of slavery?—I said, natural slavery. That is a question which it appears to me can in every case only be determined by actual observation and experience. If you begin with a price that is obviously inadequate, you may go on gradually, and while you are observing the effects of every step you take, increase the price. I see facts in South Australia, which lead me to think that the price has been insufficient. I do not know whether it has been given in evidence before this Committee, but there is no doubt that a great deal of land has been bought by labouring people in South Australia, who have established what they call villages; they are very numerous about Adelaide and different places. They had not money to buy whole sections, but a number of labourers clubbed together, and bought one section, or two or three, and made villages. They are getting into the cottier system; they are living each family by itself, doing the same things, producing the same commodities, without any motive for exchange; and one consequence is, and I think this is also an evidence of the mischief, the enormous rate of wages which prevails in South Australia. That very high rate of wages for emigrants, after their removal from this country, has a most mischievous effect on them, and entirely corrupts them. A man who goes from 8 *s.* to 2 *l.* 10 *s.* a-week, is probably good for little at the end of the year: they drink, they become rude and insolent, and they acquire habits of idleness; and I think there is plenty of information from South Australia, showing that it would have been a very good thing if the screw had been put on tighter very soon after the founding of the colony.

2697. You have stated that even under the present low price of land, the result has been that a number of labourers have still been unable to obtain a large holding, but have clubbed together to obtain small cottier freeholds. In what manner would that be prevented, or rather might it not be aggravated, by raising the price of land to such an extent, and increasing the difficulty of procuring large holdings? How would you check the disposition that there appears to be, of persons combining together, and purchasing a freehold, however small?—I would increase the difficulty.

2698. Inasmuch as you increase the difficulty of obtaining land, do you not aggravate the temptation to obtain it in small blocks?—You might, by the increase of price, obviate a great part of the evils that have arisen out of the present state of things. The labourer, in order to get sufficient money to purchase the quantity of land that suits him, would have to work for a longer time, the purchase-money being greater. When the land was bought, the emigration fund, speaking on the whole of an average of years, would be greater, and the stream of labour going into the colony would also be greater, so that wages would not be so high. Two things would be operating at once to keep the labourer as a labourer; first, that wages would be lower, and next, that land would be higher.

2699. Is it clear that the emigration fund would be increased, or is it probable that the labourer, having acquired a certain amount of money which it was his desire to invest in a freehold, would only be enabled to obtain a smaller quantity of land; the same amount being paid into the emigration fund, but the quantity of land thereby obtained being smaller, and consequently the evils of the cottier system be aggravated?—One can suppose, of course, that such a price might be exacted as would produce a scarcity of land among the poorer order of people such as prevails in Ireland; and then the difficulty of getting land at all would lead to a very miserable cottier system; but that is supposing too high a price.

2700. I understood you to say that that evil has existed to a considerable extent, even under the present price of land, which you consider too low?—I think it has.

2701. Then, if under the present state of things, when you consider the price to be low, it has existed, would not increasing the price increase that mischievous tendency?—No, because I think the two cases are quite different. The very high price I am now supposing, makes the quantity of land in proportion to population so very small, that there is a surplus population which cannot exist

exist at all unless it gets land; it is like the surplus population of Ireland, it must starve unless it gets a little land. Then the cottier is content to get a mere pocket-handkerchief of land, not more than enough to maintain the existence of his family. That is not the case in a colony from which people can very readily remove to some other district, and rather than do which, they would squat probably in defiance of the law. The mischief that has arisen in Adelaide, has been too great a facility for the labouring classes to set up, not as miserable cottiers, with no more land than will sustain each family, but to set up as market-gardeners, and farmers, and cattle rearers, and in other ways to occupy themselves otherwise than as labourers for hire; the two cases appear to me very different.

2702. Lord *Howick.*] You conceive the present state of the colony to be a proof that population and territory are not duly proportioned to each other, and you think that disproportion would be naturally corrected by increasing the price which is demanded for obtaining land?—The colony has existed so short a time, and the means of observation are so deficient, that I should not like to state it as a positive opinion, that the proportion between land and people is very bad; but there are a number of indications which lead to the conclusion that the price of land in South Australia might be very beneficially increased, and that a higher price, if people had known enough of the subject, might have been demanded at first.

2703. The principle of demanding a higher price being to restrict the population within certain bounds, you think that there are symptoms in the present state of Australia which would lead you to infer that that restriction has not yet been drawn sufficiently close?—I think so; I am in hopes that it will be found possible in South Australia and other colonies to raise the general price of new land as much above what is now deemed sufficient, as what is now deemed sufficient is above the price that was thought a great deal too much, and the enactment of which created quite an outcry in New South Wales, when the Honourable Member for Northumberland proposed 5 *s.* an acre as the minimum.

2704. Do you think the price of land in South Australia should be on a scale with the other lands in the other Australian colonies?—It appears desirable that there should be as much uniformity as possible in the price of land in different but neighbouring colonies.

2705. You consider, although it might be more to the real advantage of capitalists to go to a colony where land was dear, still they might be tempted by the apparent advantage of cheaper land to go to that colony where it was sold cheapest if there was not some uniformity of price established?—I think a variety of price would be apt to cause emigration and re-emigration from one colony to another without any full understanding of the subject, and that it would be desirable that the general impression should be that the price was the same everywhere.

2706. And those symptoms which lead you to infer that the price of land in South Australia is not yet sufficiently high, are equally to be found in the other Australian colonies?—Yes, I think so, more especially in New South Wales, where, in consequence of the loss of the assigned convicts, the pressure for labour is bringing about a very disastrous state of things. There the indications are, at every turn, that the price is not sufficient to keep those labourers that go into the colony in a state of hired labour.

2707. Then you think it extremely desirable, with reference to the whole condition of the Australian colonies, to look at the question without delay of raising the price of land generally?—Most desirable.

2708. Mr. *G. W. Wood.*] Can you inform the Committee whether there is a minimum price for land in New Zealand?—The price has now been settled at the uniform rate of 1 *l.*

2709. *Chairman.*] Is not the principle of auction adopted there at all?—No, the principle of uniformity is entirely adopted.

2710. Lord *Howick.*] And the principle of lottery?—No, the Government does not in the disposal of lands adopt any lottery; on the contrary, it leaves lotteries to be undertaken by land companies and individuals.

2711. Was not the whole sale of the lands in that case in a company?—No, but the Government allows individuals or any company to take any quantity of land, as soon as it is surveyed, at 1 *l.* an acre.

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2712. *Chairman.*] In the case of New Zealand, does the survey necessarily precede the sale?—With respect to a grant by the Government, it must necessarily precede the sale; it is one of the great difficulties which has not been provided against in New Zealand. Great mischiefs will arise from the want of surveys.

2713. When you speak of grant, do you mean the actual conveyance of the land?—I meant to say, that the survey must necessarily precede the actual giving of possession. In point of fact, something which is tantamount to a grant does precede the survey, because you buy land of the commissioners in London.

2714. But has that been the case in South Australia?—No doubt.

2715. Mr. *G. W. Wood.*] Does Government make any further charge on the sale of lands in New Zealand to cover the expenses of surveying?—I believe that they have not; but the regulations with respect to New Zealand are not very precise; the subject is new, and has not been considered with a view probably to the future yet.

2716. Do you consider that the government of the United States would act wisely to abandon its principle of selling its lands by auction, and to adopt the principle of a uniform price?—I think, as respects the great mass of common land, it would act wisely by adopting the principle of uniform price; but, as I said before, I see no objection to the adoption of the other principle with respect to certain portions of land, provided it be admitted right that a government should obtain revenue by performing the functions of a land company or an individual.

2717. In making prospective arrangements for a colony about to be founded, do you consider it most eligible for the future welfare of that colony to look to the land as the principal means of furnishing revenue, or to levy it in the way practised here, on articles of consumption through customs' duties?—I believe all the expenses of colonizing and governing a waste country may be got out of the land fund by good arrangements, and then, of course, it would be well to get them in that way rather than by duties of customs.

2718. *Chairman.*] You mean, that ultimately it may come out of the land?—I think all.

2719. That present advances might be made which might be secured on the future proceeds?—Yes.

2720. Mr. *G. W. Wood.*] Do you mean to provide for the future revenues of the country out of the price paid for the fee simple, or to look to a permanent land tax?—I was alluding then to the fee simple.

2721. *Chairman.*] The actual proceeds of the land sales?—Yes; and I would say now, that it would be as easy to sell land in New Zealand for 3 *l.* an acre as for 1 *l.*

2722. Lord *Stanley.*] But applying your principle to South Australia, must not the success of your principle depend on there being an indefinite supply of land continually coming into the market; and must not a period arise when that supply is cut off?—Of course; then the country is colonized; then the operation is done.

2723. Therefore you do not look to the proceeds of the land sales providing for the expenses of the colony, but merely for the colonization, and temporarily for assisting the revenues of the government?—It is plain that a period would arrive, in the existence of any colony, when it would no longer be desirable to obtain emigrants from another country; when the colonial society would wish to reserve for its own natural increase of people a quantity of waste land. That quantity of waste land, it appears to me, might with great propriety be sold, for the purpose of paying off the debt incurred by what was recently called the outfit of the colony in the first instance.

2724. Mr. *G. W. Wood.*] When the colony has arrived at that stage, to what source should you look for its necessary revenue, as the one most beneficial for the colony?—Of course, as soon as all the public lands of the colony were disposed of, that society like every other society must look to ordinary sources of revenue.

2725. Mr. *Vernon Smith.*] Previous to the arrival of that period, would you derive all the public expenses from the land fund?—I think that might be done, but by much more careful and elaborated arrangements than have yet been contemplated.

2726. Lord *Howick.*] Do you conceive, if the land of a colony was gradually occupied by progressive colonization, in a systematic manner, that by the time such land was so occupied a society must be created sufficiently rich to be enabled to meet the expenses of government, with ordinary taxation?—That seems quite natural.

2727. *Chairman.*] Do you think also, that by the same time, the proceeds of the land sales would have freed the colony from all debt, and reimbursed the mother country any debt it might have incurred on account of the formation of the colony?—I think that might be done.

2728. Lord *Howick.*] I understand the opinion you have now brought forward is, that if the price of land in a colony is made sufficiently high, it may find the means not only of providing for the expenses of emigration, but for the expenses of colonization?—Yes.

2729. That is, that such permanent improvements as roads and bridges might be defrayed out of the funds for colonization?—Yes.

2730. Sir *William Molesworth.*] At the commencement, would you apply the greater proportion of the land fund?—That would depend upon how the land fund is created. If there be a sufficient portion of the land fund for supplying the colony with population, then all (that is, as respects colonization) is done, and all else you can get as land fund is good for all sorts of public purposes.

2731. Mr. *Vernon Smith.*] In the early stages of a colony, how do you calculate that proportion?—I have never ventured to calculate it. Theoretically, it appears to me impossible. I have seen attempts made by very ingenious persons to lay down what they imagined was the rule for determining the price of lands in a colony theoretically, but it appears to me utterly impossible.

2732. Lord *Howick.*] You must go on gradually raising it, till the state of the colony shows you have arrived at the proper point?—No doubt of it.

Captain *Alfred Fell*, called in; and Examined.

2733. *Chairman.*] ARE you commander of the Catherine Stewart Forbes?—I was.

2734. Have you made any voyages in that ship to South Australia?—Two, from London.

2735. What was her tonnage?—Four hundred and fifty-seven tons.

2736. What was her draught of water when loaded?—Nineteen feet four.

2737. What when not loaded, in ballast?—About 15 feet.

2738. When was the first voyage made?—In 1837.

2739. Did you go out with emigrants?—Yes.

2740. Did you go directly to Adelaide?—Yes.

2741. What time of the year did you arrive there?—In November.

2742. Had you any difficulty in making the port of Adelaide?—None whatever. I did not go to the port the first voyage; I laid at Holdfast Bay.

2743. Then the first voyage, you did not enter the port of Adelaide at all?—No.

2744. How far is Holdfast Bay from Adelaide?—About 12 miles to the entrance.

2745. Did you land your emigrants at Holdfast Bay?—Yes.

2746. Had you any cargo besides your emigrants?—Yes.

2747. Did you unload at Holdfast Bay?—Yes.

2748. How did you unload that cargo?—Into our own boats.

2749. Then it was not a bulky cargo?—Principally merchandize and provisions for the emigrants out there.

2750. How long were you lying at Holdfast Bay unloading?—About three weeks.

2751. What sort of weather had you?—A stiff breeze at times; it is a very good place to lie.

2752. Good holding ground?—Very good.

2753. And shelter?—No shelter.

2754. Had you a wind into the bay while you were lying there?—Yes; I conceive it as safe an anchorage as Spithead, or any roadstead in England, generally.

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2755. Are you to be understood as saying that there is no shelter, that the harbour is not protected?—Only by the water across; there is from 12 to 14 feet across the harbour; it is like a long river, a gulf.

2756. Do you mean that there is a sand-bank at Holdfast Bay?—No, it is a shallow.

2757. Lord *Howick.*] How did you get in?—It is protected from the ocean swell by Kangaroo Island.

2758. *Chairman.*] Does Kangaroo Island constitute the same protection to Holdfast Bay as the Isle of Wight does to Spithead?—Yes.

2759. Had you a gale of wind while there?—Yes.

2760. Did you strike your topmasts?—No, I did not.

2761. Did your boats carry up the emigrants and goods to Adelaide?—No, we landed them at Holdfast Bay; but I have been three times in the port.

2762. Did you land them at Holdfast Bay on the beach?—Yes, on the beach.

2763. How were they conveyed from thence to Adelaide?—By carts.

2764. Had you water there?—Yes, about a mile and a half from the beach.

2765. What did it cost you?—£. 1 a ton.

2766. When was your second voyage made?—In 1838; I arrived the 22d of March.

2767. Did you go out with emigrants again?—No, I went out with passengers; there were about 12 or 14 emigrants.

2768. And a cargo?—Yes.

2769. Did you go up to the port on that occasion?—Yes, direct from England to Adelaide.

2770. What time of the year did you get there?—22d of March.

2771. You commanded the same vessel as before?—Yes.

2772. You say you went up to the port on that second voyage?—Yes.

2773. Did you take a pilot?—Yes.

2774. Where did you get him?—About six miles from the entrance of the harbour.

2775. He was an Adelaide pilot?—Yes.

2776. He came off to you?—Yes.

2777. Did you anchor outside the mouth of the creek or harbour before you went in, or did you go directly in?—We waited for the tide off the harbour's mouth.

2778. When you went in, what was the state of the tide?—Nearly high water.

2779. What was your draught of water at the time with the cargo you then had?—Fifteen feet ten.

2780. Had you a fair wind in?—Yes.

2781. Did you touch the ground going in?—No.

2782. Did you sound as you went in?—Yes.

2783. What was the depth of water?—About 18 feet in the shallowest part of the bar.

2784. Quite smooth water?—Yes.

2785. Lord *Stanley.*] What is the width of the river?—About as broad as Blackwall.

2786. *Chairman.*] What is the width of the channel?—About twice the length of my ship, which is 120 feet.

2787. When you get inside the creek, how far do you go up before you anchor?—I suppose half a mile; you are then quite in a safe anchorage; you have no fear of grounding there, and can swing by your anchor.

2788. Is half a mile the farthest extent you can go up the creek?—No, eight miles up the river.

2789. With a ship the size of the Catherine Forbes?—Yes.

2790. In point of fact, you did go up half a mile from the entrance?—I went up four miles.

2791. When you got inside the creek, where did you land your passengers and merchandize?—At North Arm.

2792. How far from the port or landing-place?—About four miles from the port or landing-place.

2793. From the old port?—Yes.

2794. Have you been there since the new port has been made?—Yes.

2795. How

2795. How far is it from where the new port is constructed?—Two miles.

2796. Is that as near as a ship the size of the Catherine Forbes could approach for the purpose of discharging its cargo?—I have laid right abreast of the wharf.

2797. What depth of water had you at the North Arm when lying there?—Four fathoms.

2798. How far does that extend?—About a mile each side of the ship.

2799. How were you anchored?—Moored with two bowers, and swinging with the tide.

2800. You made fast to the shore?—No, the ship swung at the North Arm.

2801. Were there any others there at the same time?—Yes, four.

2802. Of what size?—There was the brig Porter, of about 200 or 300 tons; vessels varying from 300 to 400 tons.

2803. You said you once laid the ship alongside the wharf?—Abreast the wharf.

2804. What is the highest point where a ship of the size of the Catherine Forbes can lie with safety in the creek; how far from the new port?—About 20 yards from the new port.

2805. What depth of water is there?—Eighteen feet.

2806. At low water?—About six feet rise of tide.

2807. Is there a very strong current?—Yes, there is at times, when there are spring-tides.

2808. Is the entrance of the harbour marked out with buoys?—Yes, very well marked.

2809. What were the names of the three ships lying there when you were there?—One was called the Planter; I forget the name of the other; the Dawson, I think it was.

2810. Did these ships arrive while you were there, or did you find them there?—The Planter arrived while I was there.

2811. Did she touch the ground coming in?—No.

2812. Do you know her draught of water?—Sixteen feet.

2813. Did you hear of the other ships having touched the ground going in or out?—No, several grounded on the second bar in trying to beat the ships up.

2814. What do you mean by the second bar?—There is an inner bar, with about the same depth of water that there is in the first bar.

2815. Why did you not go into the harbour the first voyage?—It was hardly known when I was there first, in 1837.

2816. Where did you land your passengers and cargo on the second voyage?—At the old port.

2817. How were they carried up to Adelaide?—By bullock-carts.

2818-19. Did you take in water on that occasion?—No, I had water enough; I went to Launceston.

2820. Did the other ships lying there water at that time?—Yes, most of them water at the North Arm, when they do water.

2821. Where does the water come from?—From a small point in Torrens's Island.

2822. How far from the landing-place at North Arm?—About 20 yards; not so much; 10.

2823. How far had the boats to go from the ships for it?—About 500 yards; ships could lie right abreast of the landing-place.

2824. Was it good water?—I believe not very good water.

2825. Had anything been done to the bar with a view to deepen the water between your first and second voyage?—Very little.

2826. Have you heard of any improvement having been lately made?—No, I think not; there was a ballast lighter working on the bar at the time I was there, but I do not think she does much good.

2827. Is there a strong tide running there?—Yes.

2828. You said you have made three voyages?—I have made four voyages there.

2829. Have you made any other voyages to Adelaide than the two you have mentioned?—Yes, in the years 1838 and 1839.

2830. The second voyage was in 1838?—Yes.

2831. In what ship?—The Catherine Stewart Forbes.

2832. Did

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2832. Did you on either, or both of those occasions go into the harbour?—On both.

2833. Was the ship loaded on those occasions?—Yes.

2834. Did you get into the harbour with equal facility as in the first voyage in 1838?—Yes, without any accident.

2835. Did you lie in the upper part of the harbour?—Yes, I went up for the new port as marked out.

2836. On which of the voyages was it that you lay abreast of the new port, and within 20 yards of it?—In 1839.

2837. Was the ship then lashed to the shore?—We were moored all-fours, head and stern.

2838. There was not room there for a ship to swing?—No.

2839. How many ships can lie in that harbour and discharge their cargoes at the same time with convenience?—From 12 to 14 could lie in the place I was lying in.

2840. How far would the furthest of those ships be from the new port?—Not above the length of each ship; the length of 20 ships or 14 ships; they would all lie close together, because there is not the slightest danger there.

2841. When you discharged your cargo, did you leave the port immediately?—Yes.

2842. Were there other ships lying between you and the entrance of the harbour when you came out?—Yes.

2843. Had you any difficulty in passing them?—None.

2843. Did you sail all the way down from the place where you had been moored, or did you warp her out any part of the way?—No, we hoisted our topsails and ran down from the shore abreast the new wharf.

2845. Mr. *Vernon Smith.*] How long did you stay in South Australia?—I was about 13 months in trading.

2846. Have you any land there yourself, or any interest in the colony?—I have got an acre of land in the town.

2847. Any other interest?—I have got some interest at Port Lincoln.

2848. Lord *Stanley.*] At what time did you purchase that land?—The last time I was there.

2849. In 1839?—Yes.

2850. Have you any objection to state what you gave for it at that time?—I gave 148*l.* for it.

2851. Lord *Howick.*] It is not in the centre of the town?—No; it is in Halifax-street.

2852. Lord *Stanley.*] Are you in the service of the Australian Company?—No.

2853. *Chairman.*] Was the Catherine Stewart Forbes one of these ships?—No.

2854. Lord *Howick.*] Is there increased facility for watering ships at the new port now?—None.

2855. *Chairman.*] What is the nearest place at which they can get good water?—About three miles.

2856. Lord *Howick.*] Do captains in general get their water from the town of Adelaide?—They generally get it at Torrens's Island; they send their boats down; sometimes they get it at the half-way house: there is a house there that supplies ships.

2857. *Chairman.*] In your fourth voyage did you enter the harbour with equal facility?—Yes.

2858. You have made four voyages in the Catherine Stewart Forbes; you went into the harbour on three of those occasions, and you state that the ships did not take the ground going in or coming out?—No.

2859. Mr. *Vernon Smith.*] Was the expense of living very great at Adelaide when you were there?—Exceedingly great; I paid 80*l.* a ton for flour.

2860. Do you remember any other prices of provisions?—Yes, for common bread I paid 56*s.* per cwt.; beef was 1*s.* per lb.

2861. *Chairman.*] Was there a great expense attending the conveyance of your cargo from the landing-place to the town?—Yes, very great indeed.

2862. Will not the expense be greater from the new port than the old, as the new port is two miles farther from the town than the old?—Yes.

2863. Lord

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2863. Lord *Howick.*] There were very bad roads when you were there?—Very bad indeed; they could not go on the new road at all with a cart; they were obliged to metal it.

2864. And in 1838 it was almost going through a swamp?—They never went down to the new port; there was nothing carried from the new port at the time I was in the colony; that was the only road.

2865. And that road a very bad one?—Not from the old port; it is a very good road indeed.

2866. But in spite of that, it was very expensive carrying up a cargo?—Yes, everything was expensive at that time; labour, provisions, and everything was high; we were obliged to give a labourer a high price for doing anything.

Mr. *Edmund John Wheeler,* called in; and Examined.

Mr. *E. J. Wheeler.*

2867-8. *Chairman.*] ARE there many ships either belonging to or in the employment of the South Australian Company that trade between London and Australia?—We have had to do with a great number of ships; not so many of our own as we have chartered or shipped goods on board.

2869. Captain *A'Court.*] Is the rate of insurance higher for ships going to Adelaide than to Van Diemen's Land or Sydney?—No, it is not.

2870. Sir *William Molesworth.*] Is the rate of insurance the same to Adelaide as to Sydney?—I have insured very large sums in specie, at the rate of 25 *s.* per cent. including every risk, and on other goods at 45 *s.* to 50 *s.*; and I am not aware of any insurance being done to South Australia at any lower rate.

2871. *Chairman.*] What is the size of the ships?—From 200 to 700 tons; the general size is from 400 to 600 tons.

2872. Have you had a ship of the burthen of 700 tons which has entered the harbour of Adelaide?—I believe the Hindostan of 700 tons has entered.

2873. What was her draught of water?—I should say that she would draw 16 or 17 feet.

2874. Have any of the ships employed by the company been lost on that coast by making the harbour, or in the neighbourhood of it?—I am not aware of any vessel that has left any port of England for South Australia that has sustained any damage at all, not merely those of the company, but those that have gone to the colony. It is a singular circumstance that the whole have arrived in safety.

2875. Do you mean you have not heard of any ships touching the ground, going in or coming out?—There may be a few that have touched the ground, not sustaining any injury.

2876. Captain *A'Court.*] You never heard of one cast ashore in the Gulf of St. Vincent?—There have been two or three small ships coming from the other colonies, not from London.

2877. *Chairman.*] Do the ships always enter the harbour of Adelaide, or do many of them land their cargoes at Holdfast Bay?—Most of them enter the harbour.

2878. Why not all of them?—Those very large ones, which perhaps have emigrants, they disembark their emigrants and then go round to the port; or smaller vessels bringing stock from other colonies, perhaps they put 500 or 600 sheep over the side, and go off directly.

2879. Why do the larger ships land their emigrants; is it to lessen their draught of water?—With the view of saving provisions for so many miles.

2880. Do you mean that they do that in case of being detained by contrary winds from entering the harbour so soon?—Yes, the same as the tide and other circumstances in this river detains ships from coming into the docks.

2881. Supposing the wind is fair, is there any difficulty, at any season of the year, in entering the harbour at high water?—I have not heard of any.

2882. The only ground of detention beyond a tide, would be the want of a fair wind?—Yes, I think so; the proof of what vessels think of it is, that there are several large ships which have made a second voyage to that colony.

Martis, 30° *die Martii*, 1841.

MEMBERS PRESENT.

Captain A'Court.	Mr. Parker.
Sir George Grey.	Mr. Sotheron.
Mr. Gladstone.	Mr. Vernon Smith.
Lord Howick.	Lord Stanley.
Lord Viscount Mahon.	Mr. G. W. Wood.
Sir W. Molesworth.	

THE RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

Mr. *Joseph Jackson*, called in; and Examined.

Mr. *Joseph Jackson.*
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2883. *Chairman.*] ARE you the Accountant to the Board of Colonization Commissioners for South Australia?—I am.

2884. Were you directed by the Board to fill up a certain blank form of financial returns for the use of this Committee?—I was.

2885. The Committee have received two returns not very materially different, but varying in some particulars from each other, both accompanied by your signature; and they have also had laid before them a copy of a letter addressed by you to Mr. Walcot, as secretary to the Colonization Commissioners, in which you state that you were anxious to withdraw the first of those, which you considered to be incomplete; will you point out which is the return which you wish to deliver in to the Committee as a complete return in answer to their requisition?—That is one, and that is the other.—(*The Witness delivered in the same.*)

Vide Appendix, (Paper No. 16), p. 266, 267.

2886. Do those two papers, marked (A.) and (B.), comprise a complete return to the requisition of the Committee?—They do.

2887. In what respect do these differ from the other return, which is also signed by you, and which you are anxious to withdraw?—I think that is incomplete, inasmuch as it does not contain the ways and means for December 1840, which I take by the heading of this paper to be the wish of the Committee to have.

2888. There is a note appended to the return marked (A.), is that appended to the former return?—Not the one that I signed by the direction of Colonel Torrens; I stated to Colonel Torrens that I did not consider that that statement was complete, inasmuch as it did not contain the ways and means fully to the end of the year.

2889. Then you wish to withdraw the return which was not complete in that respect, and which has not got the note appended to it, and to substitute for it the return which you have now delivered in marked (A.), which does contain the return for December, and also contains the explanatory note?—Yes.

Edward Gibbon Wakefield, Esq. called in; and further Examined.

E. G. Wakefield, Esq.

2890. Sir *William Molesworth.*] TO revert to the subject upon which you were examined at the last meeting of the Committee, you then said that you had carefully considered the causes of the financial embarrassments of the colony of South Australia, and amongst those causes you mentioned the provisions of the first South Australian Act. Are there any other causes besides those you have mentioned, to which you attribute the financial embarrassments of South Australia?—One of the regulations of the commissioners, made under the power conferred on them by the Act, appears to me to have a very mischievous tendency. They made a provision for special surveys at the public expense.

2891. What was the effect of that provision?—The effect obviously was to create an enormous expenditure for surveys; because the surveying staff, which might

might have been employed in one place, gradually surveying the country from some determinate lines, was sent about into various parts of the country, sometimes to very considerable distances from the spot where the main surveys were going on, and in each case for the purpose of throwing open to the public only 4,000 acres of land, while the quantity of acres surveyed in each case was really 16,000 acres of land. For every 4,000 acres of land purchased 16,000 acres were surveyed, which seems to have been a very unnecessary expense. But above all, the expense of detaching parties of surveyors for the purpose of making those special surveys was so great, that I have heard in some cases it amounted to as much as the whole purchase-money of the land. That of course was a very mischievous effect, because it was at once eating up the emigration fund by the expense of surveys. But the most injurious operation, as it appears to me, of the special-survey system at the public expense, was that it encouraged a spirit of mere land-jobbing. People wanted to acquire the most valuable spots at the very low price of 1 *l.* an acre, as they could have those very valuable spots surveyed and made over to them at the public expense. A great deal of speculation was entered into beyond that which was required by the wants of the colonists; and I think the special surveys at the public expense have been the principal cause of the land-jobbing and gambling in land which has taken place to a great extent in South Australia, and has prevented the people from pursuing that which they ought to have engaged in, namely, various modes of production.

2892. When you say "special surveys at the public expense," do you object to special surveys at the private expense of individuals? — Looking at it as a general question, perhaps there might be no objection to special surveys at the expense of the parties applying for them; but I doubt whether, in such a case as this, there would have been any special surveys at all upon that condition. It seems desirable, when the surveys are not in advance of the demand for land, that where parties are desirous of acquiring land and paying for it, more especially if they pay for it a sufficient price, they should be allowed to obtain it if they themselves will defray the cost of surveying it. But that is always upon the supposition, which was taken as the basis of some answers the other day, that the surveys have not been carried on in advance; that the country is not surveyed, and that therefore some facilities should be afforded to persons who may be desirous of acquiring particular spots, of obtaining them at their own expense.

2893. Then you would not object to the system of special surveys, at the expense of individuals?—I think not, if precautions were taken to prevent parties from acquiring, if they took only a small quantity of land, such very valuable spots as the mouths of harbours or the forks of rivers. With such precautions as those it appears to me that special surveys might be allowed at the expense of the parties applying; but unless that tax be put upon the parties to restrain them from mere speculation, there will always be found, in the formation of a new colony, a number of people ready to lie out of their money, and to seize as soon as they can the most valuable spots; that system gives a great appearance of doing business, and of getting on fast, but it is in fact a discounting of the prosperity of the colony; it is sacrificing the future prosperity of colonization to the sudden and immediate production of a fund by the sale of land before the wants of the colonists actually require that so much land should be taken into use.

2894. Do you think the consequence of the special-survey system to be to give a false appearance of pecuniary prosperity to the colony?—I think so; I think that there has been a false appearance of pecuniary prosperity, and that probably to that may in a great measure be attributed the greatness of the expenditure of the local Government. The Commissioners here and the governor there, when he arrived, seem to have fancied that this colony was so prosperous that they could hardly spend too much money upon it; that it was in a train of being so very rich, that expenditure was of very little consequence.

2895. You spoke just now of the very low price of 1 *l.* an acre; do you consider the price of 1 *l.* too low a price for an acre of land in South Australia?—£. 1 an acre appears to me to be hardly a real price; it is more a nominal price than a real one. Provided the colony prospers at all, picked land is sure to become so much more valuable than 1 *l.* an acre, that I regard it, in a great measure, as a nominal price. But the main objection to that price gene-

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rally, and more particularly in South Australia, as instanced by the rate of wages there, is, that land is still too cheap at 1 *l.* an acre. I will illustrate that by an extravagant supposition, that by some process sea could be converted into land adjoining the shores of England; if it were converted into land in unlimited quantities, and sold at the rate of 1 *l.* an acre, we should very soon feel here a great want of labourers for hire. At the price of 1 *l.* an acre there would be such a facility for obtaining land that the labourers would leave their employment and become land-owners, as happens generally in the free states of America; and we might be brought to wish, in order that our manufactures might go on, for such an economical state of things as that which exists in America, where there are three millions of slaves, estimated to be worth at market, on the average, 100 *l.* a piece, and of the value, therefore, of 300,000,000 *l.* sterling, which is nearly half the amount of our national debt. That appears to me to arise altogether from the very low price of land; and I do not see much difference as respects the question of that pressure which preserves labour for hire, between the American price of 5 *s.* 7 ½ *d.* an acre, and the South Australian price of 1 *l.* an acre.

2896. Have you formed any opinion as to what ought to be the price in South Australia?—I have never formed any opinion as to what the price ought to be, and I do not think it is possible theoretically to lay down any rules by which one can say what the price ought to be in any case; but, practically, I am satisfied, now that the subject is more generally understood than it was some years ago, that it would be as easy to sell the better descriptions of land (which would be the first that persons would buy) at 2 *l.* or 3 *l.* an acre as it was 10 years ago to sell them in New South Wales at 5 *s.* an acre, when everybody cried out and said, that the colony would be ruined by the imposition of that low price.

2897. You have stated the evils which result from too low a price of land; on the other hand, are there not evils which may result from too high a price?—Of course there are, because the price might be such as to produce the state of things which exists in this country and in Ireland, where emigration becomes very desirable, because there is not enough land for the increase of the people. That opinion, however, I state only theoretically, because if such a pressure were imposed by law merely, not, as it is here, by economical necessities, the people would probably break the law, and use the land; at all events, it would be impossible to maintain so high a price as that. But still it is very easy to suppose a price not so high as that which would still be very inconvenient, which would, for example, compel the labourers to remain labourers for hire during the greater part of their lives; that would be too high a price. The great object seems to be, to get at that just medium which would be neither too high, as likely to produce a pressure of population, nor too low, as likely to relax too much the bonds of society.

2898. Between those two prices, namely, the one too low, which would cause too large a proportion of land to the population; and the other too high, which might lead to squatting and an excess of labour, as compared with land, you think there is a medium price?—I think it is quite clear, that there is some price between those two extremes; but not that that price would be equally applicable to all colonies, because, in a colony where land is extremely rich, and a very small quantity suffices for the maintenance of labourers' families, as in the case of the West Indies, no effect would be produced upon the labour market by imposing such a price as might be amply sufficient to produce that effect in Australia, where the land is much less productive. I mean to say, that we must in all cases be very much governed by the peculiar natural circumstances of the colony.

2899. Do you think that is a general test, by which you can ascertain whether the price of land is sufficiently high or too low?—I think that would be a very good test, provided the condition were first complied with which was mentioned the other day; that is, provided the colony were surveyed, so that there should be perfect facility of appropriation. In that case, I think that the rate of wages, and the term during which it was found, with that rate of wages, that the labourers must necessarily work for hire, would be a guide to the proper price. Where wages are extremely high, so high as they are, for instance, in South Australia, where they are so high as quite to spoil people that go out, it would be clear that the price of land was too high, that the facility

facility of quitting the situation of labourer for that of landowner was too great; and, on the other hand, if it was found that there was a want of employment for labourers, that there was an excess of labouring hands, it would be clear that the price ought to be lowered, in order to promote a greater dispersion of people over a large space of ground.

2900. Lord *Howick.*] You were understood to say, that you consider the price of land at present too low; do you think that low price has a tendency to encourage settlers to disperse themselves over too great an extent of country, and so to increase the expenses of police and government?—I should think it had; I am not sufficiently acquainted with the actual state of things in South Australia to be able to give a decided opinion upon that, but, from all I have heard, it appears to me there has been a great deal of wandering about there in search of new settlements, and that this has been promoted partly by the price being too low, and partly by the facility afforded by the special survey system at the public expense.

2901. Is not the effect of asking a price very much lower than that which the land will probably ultimately bear, to encourage capitalists to buy large tracts at a distance, with a view to that future rise of price, and so to extend the colony too fast?—No doubt too low a price encourages that sort of speculation.

2902. Has not it also the effect of throwing away, prematurely, that which would ultimately become a very valuable resource to the colony?—I think it has; the impression is upon my mind every day, that from not putting a sufficient price upon land we are wasting most valuable public property.

2903. And the time will therefore come when no pecuniary means of this kind will be available for carrying on the service of the colony?—Of course; and great mischief is produced besides; because, when a very large quantity of land has become private property, (I mean very large in proportion to the number of people,) numerous inconveniences arise, and amongst them is the necessity, which has been found to prevail in all the United States, of imposing a wild land-tax in order to force people to give up land which they have obtained in a manner mischievous to the public.

2904. You think it much better, instead of imposing a tax of that description upon land after it is sold, to demand such a price that the interest of the money shall operate in the same way as the land-tax would?—I think so, decidedly.

2905. You said that it is not possible theoretically to determine now how high the price of land ought eventually to be carried in South Australia, but that practically it would be as easy to obtain 2 *l.* or 3 *l.* for it, as the 1 *l.* that is now asked?—I believe so.

2906. Is it your opinion that the price of land should be raised to a certain degree now and then, watching the symptoms of the colony, and that the rise should be carried on progressively till the state of society shows that it has been sufficiently raised?—I think so; I think it would be one of the greatest improvements in colonial economy that could be devised to make a gradual increase of price, just taking care not to overrun the mark.

2907. You conceive that it would be impossible at once to raise it so high as probably it may be found desirable ultimately to fix it?—Probably if it were raised as high now as persons who have paid most attention to the subject would be willing to raise it, the great bulk of purchasers who have not paid so much attention to the subject would think that it had been raised too high, and that might deter purchasers altogether. Therefore it seems desirable that it should be raised by degrees; but the opinion is growing so fast in favour of a higher price for waste lands, that even now there would be a disposition to pay a very considerable price in comparison with any that has hitherto been required, if in each group of colonies (but I am speaking now more especially with respect to the Australian group) the price was the same or nearly the same.

2908. You think that exactly as has been the case with respect to the rise of price which was made in 1831, experience would reconcile people to the change, and that gradually the price might be advanced still further?—What has taken place under the regulations of 1831 has converted, I may say, everybody in the Australian colonies to the notion of what would 10 years ago have been called an extravagant price for land. I have here a memorial which has recently been addressed to the Government, and signed by all the leading merchants and other persons connected with New South Wales, in England. It was drawn up

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by a merchant of New South Wales, who may be called the leading merchant of all those colonies, a very leading man amongst them, Mr. Thomas Walker. It has been signed by the whole of those persons, and the object of it is to pray for measures which would give greater effect to what was done in 1831.

2909. Will you put in that memorial?—(*The Witness delivered in the same.*)

Vide Appendix, (Paper, No. 18), p. 272.

2910. How far should you think it expedient to carry, in the first instance, the augmentation of the price of land?—I should have no hesitation myself in requiring 2 *l.* an acre throughout the Australian colonies; and I say that, because, speaking now from a knowledge of the disposition of the buyers of land, I am quite satisfied that it would be as easy to sell land at that price as at 1 *l.*, provided the price were universal.

2911. You would propose to fix a general minimum price in the Australian colonies of 2 *l.*, with the intention of gradually augmenting that price as circumstances required?—Certainly; and with some declaration, if possible, on the part of the authority by which the price was fixed, that, provided it could be done without injury to anybody, it was the intention of Government to raise the price.

2912. If that system was adopted, would it not be necessary, in order to give confidence to purchasers, that there should be some legislative provision, that although it should be competent to the Government to raise the minimum price of land, yet when the minimum price was once raised, it was not competent to the Government to lower it again?—I think something of that sort would be very desirable, because land-buying in the colonies is a new commerce which has grown up within the last ten years, and unless there was some certainty about it, people would not be disposed to embark largely in making purchases of land at one price, when events might occur by which the price of land generally would be very much lowered afterwards. I think, therefore, that some legislative enactment to that effect is desirable.

2913. As the price of land becomes higher, does not it seem the more necessary to adopt some measure which would give persons confidence that they would not be exposed to the competition of other purchasers obtaining land on more favourable terms; and might not that be effected by a legislative provision, leaving to the Crown the power of raising the price of land, but depriving it of the power of again lowering it without applying to Parliament?—I think that would be a perfect provision.

2914. Mr. *Vernon Smith.*] Do you think it would be advisable by an Act of Parliament to bind up the Crown from ever after lowering the price of land?—The Crown would not ever after be bound up, because when the Crown represented to Parliament afterwards that the price was too high, Parliament would allow the Crown to relax the price.

2915. You would see no objection to such an enactment, under all the circumstances?—I am sure it would be attended with very beneficial consequences.

2916. Can you state what are the symptoms and circumstances of a colony, which might furnish a guide as to the proper time to raise the price of land?—There is one set of circumstances from which it may be inferred whether or not the price is high enough, and those are all the circumstances which belong to the rate of wages: if the wages of labour are extravagant, and the colony is crying out for labouring hands, as New South Wales is now, feeling the want of a supply from convict assignments, and also South Australia, it seems plain that the price may be raised without hurting anybody.

2917. In whose hands do you think the discretion of raising the price would be best left?—In some officer of the Crown, acting under a legislative measure of the nature suggested in a former question, which would prevent him from lowering the price.

2918. You mean an officer resident in the colony?—The answer to that question would depend upon, whether the Government had determined to systematise the whole business of the disposal of waste land; if it had, and its object really was to draw the greatest good out of what may be done by that means, then I think the subject is of sufficient importance to deserve the care of a special officer in this country, and that the same principle should be applied to it as has been in the case of the poor law. There a great public work

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was to be performed, of a kind requiring peculiar qualities in the administrators, and their exclusive attention; and in that case Parliament saw fit to place the whole business in those special hands. In that case another principle was adopted that will apply to this case. If the authority were given to a colonial officer, it must be an officer in each colony; and then the same uniformity would not be obtained as if the authority resided here.

2919. Do you think the same rule as to the rate of price would apply to the whole of the Australian colonies, or do you think it should vary according to the nature of the land, and the circumstances of each colony?—The Australian colonies, properly speaking, are so similar in character, that it appears to me that the same rule would apply to them all, without a question; but in consequence of its proximity to the Australian colonies, it would be necessary to include in the rule of uniformity the neighbouring colony of New Zealand.

2920. And Van Diemen's Land?—Van Diemen's Land I consider one of the Australian colonies.

2921. Lord *Howick.*] When you speak of establishing a uniform price, you mean only so far as establishing the same minimum price?—The same minimum price; the object being that persons should not move about from one colony to another in search of land at a lower price.

2922. *Chairman.*] Do you mean that, having established the same minimum price, you would not object to a different actual selling price existing in two of the Australian colonies at the same time?—The actual selling price will depend upon circumstances which Government could hardly regulate; that would depend upon the amount of competition.

2923. You are supposing that the land should be put up at a minimum price for sale by auction?—Yes.

2924. Lord *Stanley.*] You were understood to say, speaking of the lottery system which prevailed in the first instance, that capitalists would not have gone out except from the temptation of realizing large profits?—I think that was very much the case. In the first instance very few persons were acquainted with the country, and the prospect of a large prize in the lottery was a great inducement to persons to go to this new place.

2925. Did not the success of the experiment at first depend upon large investments of capital being made in the purchase of land, the proceeds of those purchases being to be laid out in the transportation of labour to the colony?—No doubt the success of the experiment depended upon that, but it is a question of degree; I think if less had been done in the first two or three years than actually was done, the experiment would have succeeded better.

2926. Did not the system of special surveys tend to the same result, namely, affording an inducement to capitalists to invest capital in land, with the prospect of realizing large gains?—I think so; and in that respect it had a very bad effect.

2927. You think, then, that that system has led to a fictitious appearance of prosperity in the colony?—I think a great deal of the prosperity has been fictitious.

2928. Has it not at the same time induced a larger expenditure of capital in the colony than would otherwise have taken place, in the purchase of land?—I have no doubt it has.

2929. Has that supply of capital in the colony been found more than adequate to carry out a due supply of emigrants?—The number of emigrants carried out in proportion to the amount of private capital taken into the colony, appears to have been deficient; that is so say, great as were the purchases of land by capitalists, a greater proportion of the capital which has gone there seems to have been taken into the colony for employment in other ways.

2930. The prosperity of the colony depending upon a certain proportion being borne between the amount of labour imported and the amount of capital invested, your opinion is that a sufficient proportion of labour has not been imported?—I think an insufficient proportion.

2931. Would not a reduction of the amount of capital applicable to those purposes by the purchase of land have increased the disproportion of which you now complain?—If the proportion of private capital, over and above what was paid for land, had remained the same, then of course that would have been the effect.

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2932. Has not one result of the special surveys been, that a large quantity of land is now unoccupied in the hands of individuals?—I have no doubt of it.

2933. And unoccupied in consequence of there being a want of labour to cultivate it profitably?—That may be one cause; but another cause probably is a want of demand for its produce, because so much of the land that has been appropriated was not required by the people.

2934. Supposing the Government selling price to be raised from 1 *l.* to 2 *l.* per acre, which you state might be done now, would not the result probably be that there would be a great check imposed upon Government sales, and that a number of individuals who have become possessed of property at 1 *l.* per acre would be disposed to sell at the price of 2 *l.*?—No doubt that effect would take place; and that is one of the evils which one has always to contend with in raising the price of land in a colony where any misappropriation of land has taken place. In any colony where land has been got by anybody at too cheap a rate, then if you raise the general price to a sufficient amount you check the Government sales for the moment, and give a great premium to those who have acquired lands at the lower price.

2935. Would not the effect of checking or putting an end to the Government sales be to stop altogether the influx of immigrant labour, upon which the scheme of the colony entirely depends?—No doubt, if the sales ceased altogether emigration must cease, and the colony would then be in the state of any other which has never had an emigration fund. But in the course of time, (it is impossible to say in what time,) the sales must recommence, and the stream of emigration would again flow into the colony.

2936. But in the meantime there would be a double check to the increase of the colony: first, the check imposed by the increased price of land; and next, the check imposed by the cessation of that stream of immigrant labour which is necessary to give value to the land, and the absence of which is now the principal cause of complaint?—Then the worst effect would be that the colony would be in the state of any other which has never had an emigration fund provided by the sales of land.

2937. Did not the whole principle of this colony, and that upon which its claim to the title of a self-supporting colony was founded, depend upon keeping up a constant supply of immigrant labour to give value to the land, in the purchase of which capital had been previously employed?—No doubt; but it was never supposed that that stream would be kept up continuously; that the emigration would be the same in all years. There would occasionally be times of great competition for land, when much land would be bought, and other times when very little would be bought. That has been the case in the United States, where the system of sale has been steadily pursued for 40 years; in some years the revenue has amounted to 4,000,000 *l.* sterling from the sales of land, and in one or two years afterwards it amounted only to 400,000 *l.* sterling. These variations necessarily take place. The only claim that South Australia possessed to be distinguished from other colonies was, that it had a considerable security for the continuous supply of labour; but it was never imagined by anybody that I am aware of, that there would never be any insufficiency in that supply; that the supply would always be exactly the same.

2938. Were you rightly understood to state, that you considered the high price of labour in the colony to depend in a great measure upon the facility with which the labourers obtained land?—Yes.

2939. And that with a view to check that mischief, you proposed to raise the price of land?—With a view to prevent it in future.

2940. Supposing the effect of raising the price of land were, to put a stop to the government sales, would not the non-influx of emigrants, arising from that cause, more than counterbalance any advantage that could arise from the alteration?—Of course it would, upon the supposition that the sales of land would entirely cease; but I think they would not cease; that the raising the price from 1 *l.* to 2 *l.* an acre would not have the effect of putting a stop to the sales, if the colony were proceeding according to the plan originally laid down for it.

2941. Do you mean to express an opinion, that for many years the land which has now been purchased by individuals would not supply the demand for land, supposing it to have been purchased at 1 *l.*, and the Government price

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of land in future to be as high as 2*l.*?—It might supply the demand for land by the persons actually there, but new settlements will be formed. There are parties disposed at all times, if they can do so with a prospect of profit, to form new settlements; they would make large purchases of the Government with that view, and their funds would be employed in taking more people into the colony.

2942. That would be the introduction of new capital, taking with it its own labour, and it would not alter the disproportion between the present capital embarked and the present supply of labour; would not the fund which is applicable to the influx of labour be by those means entirely put a stop to?—As respects that part of the colony which is now settled, no doubt the effect would be to put an end to the supply of labour till the present lands were used; but I think that with an increased price generally, and the prospect that ultimately the 150,000,000 of acres, composing South Australia, would be sold at no less a price than 2*l.* an acre, the purchase-money being employed for emigration, there would be such an encouragement given to emigration and settlement there, that the emigration fund would revive, land would be sold, and the progress of the colony would be very rapid.

2943. But, for a considerable number of years, you would anticipate almost a cessation of the fund for the transportation of labouring emigrants, and a consequent maintenance of the existing high price of labour in the colony?—I really do not think that cessation would continue. I think that if what may be called the South Australian public (I mean the people in this country who take an interest about South Australia, and who are very numerous) perceived that the price of land was going to be raised, and that the Government had taken the colony into its management, and was really bent upon carrying out the system, I think the colony would again become very popular, and that large sales would be effected, and colonization would go on very rapidly. I know that to be the opinion of many persons intimately acquainted with the state of feeling here upon the subject.

2944. Sir *William Molesworth.*] When you said that there was a large quantity of land appropriated in South Australia, do you mean a large quantity absolutely, or only in comparison with the amount of population there at present?—The quantity is very much less, I believe, than in the case of any other colony, without exception; infinitely less so than in the case of New South Wales in the year 1831. Yet, when in 1831, at the instance of the noble Lord the member for Northumberland, a price was for the first time put upon lands in New South Wales, there was found no difficulty in selling the land; on the contrary, a fund of nearly a million sterling has been actually paid in that colony for land, although the proportion of appropriated land to the number of the people was probably ten times as great as it is in South Australia.

2945. *Chairman.*] You are aware that several years ago the minimum price in New South Wales and Van Diemen's Land was raised from 5*s.* to 12*s.*?—Yes.

2946. Are you aware what the effect of that has been upon the land sales in those colonies?—I believe it has not checked them at all.

2947. Sir *William Molesworth.*] Has not the fund raised from the sale of land greatly increased?—Greatly increased: there has been ever since 1831 a growing confidence in the plan of selling the land and applying the purchase-money to emigration, which induces people to buy in proportion as they see the Government giving effect to it.

2948. Do you think a similar effect would be produced in South Australia by raising the price of land?—I do not think the immediate effect of raising the price of land would be to cause people to buy it; on the contrary, I can suppose an effect like that which seemed to be implied in the questions put to me by the noble Lord the member for Lancashire, that the immediate effect upon peoples' minds of increasing the price of land is to deter them from buying; but then, in proportion as they are acquainted with the subject, they take it as an evidence of the purpose of the Government to go on increasing the price of land and adding to the population of the colony, and that leads a great number of people to be willing to buy.

2949. Mr. *Wood.*] Do you think it probable that persons resident in this country, disposed to buy land in Australia, would prefer giving 40*s.* an acre for it here with the knowledge that all the proceeds of that sale would be employed

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in sending out labourers, rather than take the chance of buying it in the colony at a lower price, knowing that with regard to what was purchased from private individuals, the proceeds would not be employed in sending out fresh labour?—I have no doubt of it.

2950. Do you think the present prices of labour in Australia are sufficient to tempt there suitable labourers from this country, without any aid from the emigration fund?—No, because the labourers are a very poor class of people, and quite incapable of defraying the cost.

2951. The present wages in the colony are not sufficiently high to tempt suitable individuals to go out to the South Australian market without being aided by a free passage?—The rate of wages would have nothing to do with it, because the man is here a pauper without a sixpence; and whatever may be the rate of wages there, he has no sort of facility in finding his way thither; whether he could get 20 *s.* a week or 60 *s.* a week, makes no difference; he cannot go because he is poor.

2952. But if he had the means of borrowing money to be repaid out of the proceeds of his labour when he got there, is the price of his labour there sufficient to tempt the man to go out?—That has been tried in a vast number of instances, the plan of taking labourers out with an agreement to repay their passage money out of the proceeds of their labour, but it has always failed.

2953. Lord *Stanley*.] What has been generally found to be the security for repayment?—I believe there has never been any repayment.

2954. Lord *Howick*.] Were not great pains taken to carry that plan into effect in New South Wales?—Great pains; a great deal of capital was invested, and it seems at first so easy and natural a thing to do, that one is loth to believe that it will not answer, but it did not answer. It has been tried in numerous instances. I remember one striking case; it was that of a Member of the House of Commons, who had a large tract of land in New South Wales, and he sent out a great many people from his property in Bedfordshire, where he had too many people, with an agent whom he got from Scotland. I think there were ninety families with a stock of cattle and other things necessary to their going on well. Within a few months of their arrival they had all left him, and the agent whom he sent out was carrying on a very fine farm with all his stock feeding there. It was a total loss, and there have been hundreds of such instances.

2955. Lord *Mahon*.] Has it been tried in Van Diemen's Land also?—It has been tried everywhere, and for the last 200 years, because it was tried in America under the system of what were called redemptioners, persons who agreed to pay; but it never was found to answer. I only know one instance in which it perfectly answered, and that was during the last war between England and America. When emigration from Ireland was stopped, the Americans got a great number of Germans to emigrate; they entered into a contract with them, by which the Germans agreed to give their labour for hire for a number of years. They got them to the back settlements, and prevented them from ever learning English: the law was of no use to them; they were a kind of slaves. In that case it did answer, but it was only because they were foreigners, understanding neither the language nor the law of the country into which they got.

2956. Lord *Howick*.] You have stated that in 1831 the opinion of the persons connected with New South Wales was almost universally hostile to a proposal of fixing a price so high as 5 *s.* upon land?—I think that feeling was universal in the colony.

2957. And amongst persons connected with the colony in this country?—I think it was universal; I scarcely know more than two or three people who thought well of the measure at the time it was introduced.

2958. Are you aware that the merchants and landowners connected with the colony, and resident in London, made the strongest representations against the measure to Lord Goderich?—I am aware that they did.

2959. Now, you say, the opinions of persons interested in the Australian colonies would be favourable to an increase of price?—I think so; I think it is shown upon the face of all the late proceedings of the council, and in various public meetings in the colony, and by the memorial which I have put in.

2960. You have also said, that the quantity of land which had been alienated in New South Wales and Van Diemen's Land before the change of system, including

including the large grants to the Australian and Van Diemen's Land Companies, and to some private individuals, was much greater in proportion than that which has now been alienated in South Australia?—Far greater.

2961. Do you conceive that it is likely that any check which might be given to the sale of land in South Australia at this moment by an increase of price, would probably be of less duration than the check given in 1831, in New South Wales and Van Diemen's Land?—I think it would not last long, but it strikes me that there was no check in New South Wales and Van Diemen's land; on the contrary, there seems to have been a great impulse given to colonization there by the imposition of a price.

2962. And in the same manner, the circumstances being now more favourable, you conceive that the advancing the price of land in South Australia would not lead to any check to the sales of land?—I think not.

2963. Lord *Stanley*.] Is not a great distinction to be drawn between the case of the colony of New South Wales and that of South Australia, inasmuch as in the case of the former there is a considerable influx of population, arising from convicts?—That no doubt occasions a very considerable difference between the two; indeed South Australia is of such recent formation that one hardly knows how to form a very decided opinion about it; but then, I think, allowing for the great economical advantage which New South Wales has derived from the importation of convicts, that at once explains the extraordinary wealth of New South Wales, and the very great progress which it has made.

2964. Lord *Howick*.] You attribute the great wealth of New South Wales almost exclusively to the advantage of convict labour?—I think it may be ascribed to the advantage of convict labour, combined with the facility of using pasturage; because I am always very much afraid of being supposed to press for any check upon that use of pasturage which is not freehold, and which does not affect the labour market; a man cannot become a freeholder by driving sheep over a district of country.

2965. *Chairman*.] And which does not interfere at all with the system of sale of the land as the colony becomes more densely populated?—Not in the least.

2966. Lord *Mahon*.] Would you give the same explanation of the prosperity of Van Diemen's Land?—Almost entirely; it is to be attributed to the supply of labour by convicts, together with another circumstance which was extremely favourable, which was the large demand for the produce of the labour of convicts in the establishment kept up for maintaining order among them, the large military establishment.

2967. Lord *Stanley*.] Does not a large portion of land in New South Wales, which has been alienated, and which is now in the occupation of the Australian Company and of private individuals, consist of pasture land, which would be comparatively valueless except when held in large blocks?—I think so; there is great danger to New South Wales from putting, by the process of land selling, any check upon the use of pasturage.

2968. Would not the fact of land already disposed of being so applied tend to lessen the importance of any effect which might be produced unfavourable to the sale of land arising from the imposition of a small price per acre?—Doubtless.

2969. In that respect the comparison would not hold good with the colony of South Australia?—Certainly not.

2970. Lord *Howick*.] What is practically the sort of difference between the kind of land sold by the public and that sold by private individuals in New South Wales?—I am not sufficiently acquainted with it to speak decidedly in answer to that question.

2971. Has there not been a large quantity of land sold on account of the public at the price of 5*s*. an acre, which was in fact pasturage land?—No doubt there has.

2972. And on the other hand, a great part of the land which had been previously given to individuals, and which has since come into the market for sale on the part of those individuals, was land fit for agricultural purposes?—A great deal of it no doubt was.

2973. Sir *W. Molesworth*.] Are you of opinion that the second Australian Act produced any injurious effect by the system of borrowing from the emigration fund which it established?—I think a good deal of mischief was done by the

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the facility afforded to the commissioners to borrow from the emigration fund. The first effect has been a diminution of that fund, and a loss of so much labour to the colony. But the worst evil arising from the second Act appears to me to have been that it opened to the commissioners a purse into which they ought not to have put their hands. If they had not been able to put their hands into that purse they would have had more constantly in view the danger of overrunning their means.

2974. Do you construe the second Act in the manner in which it has been construed by a witness who has appeared before the Committee, namely, that it afforded to the commissioners an all but unlimited facility of borrowing?—I think the extent to which it allowed the commissioners to borrow is plain enough in the Act; and I am at a loss to understand the evidence of Colonel Torrens, by which he endeavours to show that the power was unlimited. In reading it over it seems to me to be something which is not to be expressed by any other words than hocus pocus; I cannot make it out.

2975. *Chairman.*] Are you aware of the difficulty in which the commissioners were as to borrowing money under the original Act, and which induced them to apply for the power given them under the second Act?—I am quite aware that they got the second Act in order to be able to borrow this money; but I was very sorry that they did get it; I thought that they wanted it for a bad purpose at the time.

2976. Lord *Mahon.*] Was that your opinion at the time?—It was. An attempt was made to get that Act in the Session before it was passed, and I then objected to it very much, and the attempt was abandoned. The Act was passed when I was out of the country.

2977. If they had not got that Act, could they have raised any further loan under the original Act, to enable them to carry on the business of the colony?—I do not know whether they could at that time; I should have imagined that they might have raised money with greater facility at that time.

2978. Are you aware whether they endeavoured to do it, and found it practicable, or the contrary?—I am not sure whether they did then.

2979. Sir *W. Molesworth.*] Do you think that that provision of the second South Australian Act tended to encourage the commissioners and the governor of the colony in the extravagance which has led to the financial difficulties of the colony?—I think so; because it gave a great facility of borrowing, which is a very bad thing for anybody; and it has proved to be a bad thing in this case, because it has actually led to borrowing money which cannot be repaid.

2980. Mr. *Wood.*] What plan would you have suggested of obtaining further supplies, if a further loan could not have been obtained in the money market upon the security of the future sales of land?—I do not know that greater supplies were required; the colony was beginning to produce a very respectable revenue. If the expenses had been kept within the mark of a great number of colonies, which have never put the mother country to any expense, there would have been no further necessity for borrowing.

2981. Then do you think that, as regards the supply of funds, the provisions of the first Act were sufficient to work out successfully the establishment of the colony?—In some respects they were, but in others they were very defective.

2982. Confining yourself purely to pecuniary objects, what is your opinion?—With respect to pecuniary objects, it seems that responsibility was much wanted, and was almost entirely absent.

2983. Supposing a judicious administration to have existed, do you think the first Act afforded the means of raising sufficient funds to work out the intention of founding the colony, and carrying it on with success?—I think the plan which the first Act was intended to embody, would have done that, if the Act had created a good administration.

2984. Without a further supply of pecuniary means?—Without a supply, beyond that which might have been obtained by means of the Act.

2985. Sir *William Molesworth.*] Do you think that a portion of the financial embarrassment of the colony may be attributed to the commissioners not having raised money before the credit of the colony was destroyed?—No, I think the colony was in a state of embarrassment long before that embarrassment appeared here, and that it would not have been at all relieved by raising loans when the last attempts were made: I think the ultimate embarrassment

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of the colony would have been very much increased by that means, and that it is rather fortunate that the commissioners were not able to raise a loan when they wished to do so, because their not having done so has led to this inquiry in time to prevent much greater embarrassment which would have taken place if the system of borrowing had gone on without a check.

2986. Mr. *Wood.*] Might it not have been possible to have borrowed a sufficient sum to carry them over that embarrassment till Parliament met and provided a remedy, and thereby saved the colony from the disgrace which has attached to it by the bills of the governor not being paid at maturity?—I think not; I think it is fortunate that they were not able to raise a loan, because if they had, Parliament would have heard nothing about it.

2987. *Chairman.*] You mean Parliament would have heard nothing about it till a future period, when the embarrassment would have been much greater?—Exactly so.

2988. You do not think it would have averted the necessity of an appeal to Parliament eventually?—Eventually it would have increased the necessity.

2989. Sir *W. Molesworth.*] You say that the colony was in an embarrassed state, which would eventually have led to an application to Parliament; do you think that any injury was done to the colony by the change that took place in the constitution of the Board of Commissioners, or that that change tended in any way to produce the embarrassment?—No, I think no mischief was done by that. I have heard that stated as one of the causes, but in fact the embarrassment had begun before that, although it was not apparent here. I think the change in the commission had no effect, or very little effect indeed; it may have had a very slight effect, as every change has an effect in checking confidence, but except as any other change might have produced that effect, it produced no evil consequences; nor did I anticipate any from it, for I was very glad to hear of the change, and some of the old commissioners themselves were. The first time I heard of the change was from one of the commissioners, Mr. Hutt, who wrote to me from the north of England, telling me that a change was going to take place, and expressing his great satisfaction at the prospect.

2990. You are aware that there has been a diminution in the sales of land in South Australia; do you attribute that diminution in any measure to the emigration which has lately taken place to Port Phillip and to New Zealand?—I do not think it had any effect; I have observed that one colony helps another; and that the more successful one is the greater facility the other has of advancing the sales of land. Some sales at Port Phillip and in New Zealand happened to be concurrent with the stoppage of sales in South Australia; but I do not think they had the relation of cause and effect at all. It appears to me, that the stoppage of sales in South Australia took place because people who went to the office to make inquiries about the land found that a great number of those special surveys had been taken out, and that it was hardly probable that the buyers would be put in possession for a long while; that, in point of fact, the selling had been overdone, and there was a reaction.

2991. Lord *Mahon.*] Does not a different impression prevail in the colonies themselves as to the competition of one colony with another?—Yes, the jealousy is quite extraordinary; it is a furious passion among the colonists; they all have a burning jealousy towards each other.

2992. But you think there is no foundation for the supposition of the one increasing in any degree to the disadvantage of the other?—I am quite satisfied, as respects the emigration of capital and labour, which is the great aim of all colonies, that the more successful they all are, the greater is the disposition to embark in colonization.

2993. Mr. *Wood.*] Will not their relative position to each other be determined ultimately by their relative advantages?—Of course.

2994. Lord *Stanley.*] Do you apprehend any disadvantage to South Australia from the flourishing state of the neighbouring colony of Port Phillip?—I think, on the contrary, Port Phillip has been of great service to South Australia; it has facilitated their getting stock very much indeed; I see a close dependence upon each other amongst all those colonies. The feeling of jealousy is a very curious one, which I think is to be accounted for by a sort of proprietary feeling; the newness of the colony leads all the people in it to regard

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it as something of their own, and it seems to be a kind of childish jealousy which they entertain towards each other.

2995. Lord *Mahon.*] Has there not also been an apprehension on the part of Van Diemen's Land of emigration from that colony to South Australia, and, *vice versâ*, an apprehension on the part of South Australia of emigration from South Australia to Van Diemen's Land?—I think Van Diemen's Land has profited greatly by South Australia: she has obtained a market for her surplus stock and for provisions, and the advantage to Van Diemen's Land must have been very great.

2996. Has not there been that apprehension in the minds of the colonists?—I do not think there has; there is a great deal of jealousy, but it is a jealousy partly, perhaps, occasioned by the setting up of anything that could look like a rival. As New South Wales and Van Diemen's Land were the only colonies in that part of the world, of course they had whatever emigration might be going on to that part of the world, and the moment others were set up in their neighbourhood, a jealous feeling arose which has been very strongly displayed; but I think the more sensible men regard the establishment of new colonies as very advantageous.

2997. Mr. *Vernon Smith.*] Has not that jealousy a foundation to this extent, that the colony which gets the earliest supply of labour has an advantage over others?—I do not see how one colony is injured by another obtaining a supply of labour; on the contrary, they seem all to have a strong interest in each obtaining a supply.

2998. Has not the one that gets the start the most advantage?—I do not think so. If the commodities they produced had a limited market, the first that could get into the market would have an advantage; but there seems to be no limit to the disposal of the produce of the Australian colonies.

2999. But if there is any limit to the supply of labour, the one that gets the start has the advantage?—That does not hurt the others.

3000. Sir *W. Molesworth.*] Are the Committee to understand your opinion to be this; that the effect of the establishment of new colonies is to increase the colonising spirit of England, and consequently to cause a greater supply of capital and labour to be sent out to the colonies, and that therefore each obtains a larger share than it had before of capital and labour?—I think so.

3001. Has any scheme occurred to you for meeting the present difficulties of the colony, and to enable it to go on prosperously in future?—Not specifically. I hope that this inquiry will result in putting the administration of the colony upon a proper footing; upon such a footing, that the different parties concerned shall be responsible; I think that if that be done, the colony will go on very well.

3002. *Chairman.*] What do you mean by a proper footing?—I answered the question with reference to a number of other questions which were asked me the other day, especially with reference to the total want of responsibility that exists now under the Act of Parliament. This is, properly speaking, a Crown colony; but the Crown has not exercised its rights under the Act. Lord Glenelg adopted, I believe, deliberately, and thought it quite right to do so, the principle of abdicating, as respects this colony, the power of the Crown. The commissioners did everything; they really appointed the governors, and instructed them. I think the sooner that is put an end to the better; the sooner it is treated as a Crown colony, which it really is, the better chance will there be of its government and finances being well checked.

3003. When you speak of putting the colony upon a proper footing, do you refer only to an alteration in the administration of the colony, or to some alteration in the Act under which the administration is conducted?—An alteration in the administration is the only one to which I have hitherto alluded, because under the Act it is really a Crown colony.

3004. What power has the Crown with regard to the administration of the colony under the original Act?—I think that under the original Act the Crown has all the power which it has in any other case; and the commissioners, as respects government, not colonization, had but one function, that of providing funds.

3005. Are you aware that the Government in the case of other Crown colonies have complete control over the expenditure of the colony?—No doubt of it.

3006. Have they any control whatever, under the South Australian Act, over the expenditure of South Australia?—I think they have; I think on the appointment of the governor they instruct him, and control the expenditure entirely by means of the governor.

3007. Mr. *Vernon Smith.*] Are you aware that the law officers of the Crown are of a contrary opinion as to the financial control of the Government?—I know there was an opinion given which was at variance with the opinion I have expressed; and I should not set mine up against the law officers of the Crown. I speak, therefore, more with reference to what was the intention of the framers of the Act.

3008. *Chairman.*] You would wish to see the colony put upon the same footing as any other Crown colony in future, so far as the control of the executive over the Government officers, and the expenditure of the colony is concerned?—Decidedly. At the same time it is difficult to believe that the colony will defray its own expenses unless it obtains, what all colonies have which do defray their own expenses, some control within the colony, some voice as to the expenditure.

3009. Mr. *Vernon Smith.*] By your answer, that you hoped the colony would be put upon a proper footing, do you mean to imply that any alteration of the Act should take place?—I do not know but that the Act as it stands might be worked very well, but I think it would be a very good change to get rid of what is now an unreal thing, which is the having colonization commissioners for South Australia under that Act, and general land and emigration commissioners under the Crown; they are in point of fact the same commissioners; it is not a real distinction, and it would be much better that the administration of the colonization of South Australia should be placed under a commission in immediate communication with the Secretary of State.

3010. Lord *Stanley.*] Admitting the opinion of the law officers of the Crown to be well founded, does not it follow that there is a necessity for an alteration of the law, in order to vest the control of the finances in the executive and not in the commissioners?—No doubt that follows as a matter of course.

3011. *Chairman.*] For the purposes of government, you would dispense with the South Australian Commissioners altogether, reserving them only for the same purposes for which they are wanted for other colonies, namely, the sale of land and conducting emigration?—Wholly; I think that when they interfered in government matters, they did that which they ought not to have done.

3012. Mr. *Wood.*] At what stage in the progress of a colony would you give the colonists the control of the expenditure?—That is a very difficult question to answer; till New South Wales was established, England always gave it to a colony at the outset.

3013. Lord *Mahon.*] Have you turned your attention to the question how far, in the future management of South Australia, any portion of the land fund might be diverted to other purposes?—I have considered that question a great deal.

3013*. What result have you come to?—It appears to me that the answer to the question depends upon certain suppositions which must first be granted. In different states of things different plans might be advised. Supposing that the price now required for land were considered sufficient for the purpose for which any price is required, it would be sufficient on the assumption that, as now occurs under the Act of Parliament, the whole of the purchase-money were employed in taking out population. Now, supposing that one-half of the purchase-money were employed for some other purpose, it is clear that the proportion between people and land would be altered; that is, there would be less people in proportion to the land. If there were less people in proportion to the land, it would be necessary, in order to preserve society, that the difficulty of getting land should be made somewhat greater, and then a higher price would be required. It is hardly possible to answer generally the question put to me without first learning whether the honourable member puts the question on the supposition that the price of new land has been raised to a sufficient amount.

3014. Limiting ourselves to the supposition that the colony were in future put under an efficient system of government, how far would it be possible, in your opinion, to divert any portion of the land fund from the purpose of emigration to the purposes of finance?—If the price of land were such that it produced no more than was sufficient to maintain a due supply of labour in

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proportion to the land, it is clear that any diminution of the emigration fund would be mischievous, because it would alter the proportion between the supply of labour and land.

3015. You have not been able to form any practical calculation how far those principles are likely to apply in the specific case of South Australia?—I see great evils likely to arise from using the land fund for any other purpose than emigration, because it might end in using the whole of it for those other purposes, and there would be an end to the principle upon which the colony was founded.

3016. Your objection then, is, that if a portion were taken, it might serve as a precedent for ultimately taking the whole?—Not merely that; but it strikes me, that if the whole of the land fund were employed for emigration, a certain price for land would be sufficient to keep up a due proportion between population and land. If none of it were employed for emigration (I put an extreme case), it would be necessary, in order to preserve society, to have a much more stringent price of land; if you had no emigration, it would be necessary to keep the labouring classes as labourers for hire during the greater part of their lives, or society would be dissolved. Supposing that to be correct, then any diminution of the emigration fund involves the putting a higher price on land, and involves the making the labourers remain longer in the class of servants; that would be an injurious effect.

3017. Captain *A'Court.*] Do you consider that the price of land should be regulated by the supply of labour, in order to secure a regular succession of labour for hire?—I have said before, that the guide, as it appears to me, to getting at a just price of land, is the rate of wages in the colony. The rate of wages will, in a very great measure, depend upon whether only part or the whole of the land fund is used for adding to the population. The question as to whether any part of the land fund should be used for any other purpose, is at the bottom of the whole system.

3018. Sir *W. Molesworth.*] You consider that the effect of employing the whole of the land fund for emigration, is to enable you to obtain the same results, as to securing a due proportion of labour to land with a less upset price of the land, than would be necessary if only part of the land fund were employed for emigration?—Provided the whole land fund be employed for emigration, it seems clear, then, that a less price will suffice for carrying on the whole system, than under any other circumstances. Just in proportion as any portion of the land fund is abstracted from emigration, it becomes necessary to increase the price, and to prolong the term of the labourer's service for hire.

3019. Lord *Mahon.*] Have you seen the evidence of Mr. Angas before this Committee, with respect to the injurious consequences which, in his opinion, would have resulted, if, in the course of last year, the land fund had actually been employed in emigration?—I have seen a passage to that effect, but I totally dissent from it; I find it wholly unsupported by anything that bears the slightest appearance of a reason.

3020. Sir *W. Molesworth.*] Is there not a general feeling throughout the South Australian colonies in favour of the application of the land fund to emigration?—I think there is; I think that is a growing feeling. The New South Wales people think they have suffered very much from not having had the whole of the land fund employed for that purpose; but I am not sure that the feeling is quite a just one. It would be desirable that the whole should be employed, unless some portion of the fund were wanted for some other very urgent purposes; but the great point is, that the proportion should be fixed.

3021. You mean that the proportion of the land fund which is applied to emigration should be fixed?—That it should be known to every body by the sale of what amount of land a certain quantity of population would be introduced into the colony, so that every man should be able to make his calculation accordingly. Suppose, for instance, any one had intended to buy land in New South Wales 10 years ago, when it was supposed that the whole fund would be used for emigration; if the whole fund had been employed for emigration, the land would have been of much higher value than it is now, because the whole million would have been so employed. There was a great uncertainty in making calculations as long as the proportion of the land fund devoted to emigration remained uncertain.

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3022. Lord *Mahon.*] Are you aware of the very great dissatisfaction that exists in New South Wales, on account of the diversion of any part of the land fund?—I am aware that it is a subject which occupies the colonists almost universally. They seem to feel very deeply upon the subject. In fact, they are suffering very much from the want of labour; and it is natural that they should feel strongly on the subject. They imagined that the whole fund would be employed for supplying them with labour.

3023. Has great practical distress been the result, in your opinion?—I think a very bad state of things is coming on in New South Wales now from the want of labour.

3024. You anticipate that that want will be yet greater than it has been hitherto?—I think it is increasing every day.

3025. Mr. *Vernon Smith.*] Do you consider the state of New South Wales to be a state of distress compared with that of the other Australian colonies?—I think a very dangerous state of things is coming on in New South Wales. There is the Australian Agricultural Company, which received a large grant of land from the Crown many years ago, and it has been a successful company. It has imported into this country a large quantity of wool annually, enough to pay a very handsome dividend; but it has had in its regular employment as many as 500 convicts. Last year I understand it lost more than 100 of them, and that it expects to lose them all as their terms of service expire. Then that company, with a capital of 200,000 *l.* or 300,000 *l.*, employed in sheep farming, must, unless there be a supply of labour afforded, be inevitably broken up; its production must entirely cease, and I think the greater part of the flock-owners of New South Wales are exposed to that danger at present.

3026. *Chairman.*] Do you know what the actual supply of labour has been to New South Wales within the last four or five years?—I do not know what it has been, but I know it has been considerable. But it has been quite inadequate to be a substitute for the convict labour, because the convict labour is much more valuable than merely in proportion to the number of convicts, because the master can hold it. The master does not care what the price of land is or what the circumstances of temptation to the labouring class are to cease working for hire, because the convict is a sort of slave; and I doubt whether, if free emigration to the amount of all the convicts in New South Wales were instantly supplied, it would be equal at all in labour-power to the number of convicts, because a very large number of those sent out will become, with the present price of land in New South Wales, small landowners immediately.

3027. Mr. *Wood.*] You think that even if the whole land fund were appropriated to emigration, it would not supply the loss of the convict labour?—I have great doubts about it, in consequence of the great appropriation of land in New South Wales at a very low rate, and the consequent facility with which land can be acquired by labouring men.

3028. Lord *Mahon.*] Do your remarks as to convict labour apply only to the system of assignment, or do you intend them to apply also to what is called the ticket-of-leave system?—There is some difference, but they are both abolished together; I think the only sort of punishment according to the present system, as I understand it, is confinement and employment in the public works by the Government.

3029. Mr. *Wood.*] Is the supply of wool for our manufactures from New South Wales likely to be affected by the diminished quantity of labour in the colonies?—I think it will be felt soon, unless some large supply of labour can be taken to New South Wales.

T. Frederick Elliot, Esq. called in; and further Examined.

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3030. *Chairman.*] ON a former occasion you gave the Committee some information as to the amount of available land now remaining in South Australia. There is a statement contained both in the Third and Fourth Reports of the South Australian Commissioners as to the amount of such land, founded upon a report of Captain Sturt; have you referred to the original work of Captain Sturt and the calculation that he has made of the amount of available land in South Australia?—The passage in question is in the second volume, at pages 246 and 247. Captain Sturt's calculation is, that there is "a space, whose greatest breadth will be 55 miles, whose length from north to south will be

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be 75, and whose surface exceeds seven millions of acres." This is an obvious miscalculation. I at first supposed it possible that Captain Sturt contemplated going to the northward from the parallel of latitude which he mentions at that passage; but, upon consulting the context, it is clear that, on the contrary, he measures from the 34th parallel of latitude to the southward, down to Cape Jervis. The contents of that space are very likely described correctly as to its breadth and length; but instead of seven millions of acres, it will only comprise a little more than two millions and a half. The sentence was written by Captain Sturt before South Australia was settled, when first he arrived in the country after his well-known descent of the River Murray on an exploring party; but notwithstanding this inaccuracy of measurement, I believe the general conclusion still remains good, that there is an abundance of available land in the country between Spencer's and St. Vincent's Gulf and the River Murray.

3031. Lord *Stanley.*] In the statement in that passage to which you have just referred, does not Captain Sturt calculate on the existence of two millions unavailable acres?—He does. After taking great pains, I must confess that the source of Captain Sturt's inaccuracy is to me inexplicable. I also consulted a gentleman of science in these matters, and he is equally unable to detect the cause of the incorrectness.

3032. *Chairman.*] But there is a manifest incorrectness in the figures?—There is.

3033. Taking his figures, the result cannot amount to what he states it to be?—No, clearly not; it is arithmetically incorrect.

3034. Have you any information to give to the Committee upon this point, in addition to what you have already stated in your former evidence?—Notwithstanding the incorrectness in Captain Sturt's figures, I mentioned in my former evidence several passages from other authorities, showing that apparently there was a great deal of good land in South Australia. Some further accounts have since been received, which it may be proper that I should also lay before the Committee. By the South Australian Gazette, which reached our hands only yesterday, dated the 22d of October 1840, we find that Lieutenant Frome, the surveyor-general, has been making a tour round Lake Alexandrina, and that he has found some very good portions of available land, with respect to which he uses this expression: "At a moderate computation, I should say there would be found at least 50,000 acres of good agricultural soil on its borders." Some other additional information, which it may be worth while to mention, is contained in a despatch of Colonel Gawler, dated the 13th of August 1840. Mr. Eyre had proceeded on an exploring party up Spencer's Gulf; and the following extract from a report by Colonel Gawler on its progress, shows that it appears to be considered that there is some good land not far from the head of the Gulf.

3035. *Chairman.*] At what distance is this from Adelaide?—At a rough guess, I should think nearly 150 miles. It is a long way up; near the head of Spencer's Gulf. He says, "The result of this examination has been the discovery of a good harbour, with five fathoms water, formed by sand banks, immediately to the southward of the Cape, on the eastern shore, which lies due east of Point Sowley; and further, of a very superior roadstead and landing places, six miles to the north-east of Point Riley. The first, the harbour, I have named Germain's Roads, and the second Waterwitch Bay. They will become important as water outlets for the produce of that good country which lies to the northward, eastward, and south-eastward of them, a part of which is already occupied by the Broughton special survey, No. 29, 2 December 1839, and by sheep stations." Thus upon Spencer's Gulf there are two anchorages and portions of good land that we had not heard of before. It may be worth while, also, to read an extract from a speech delivered by Colonel Gawler at a public dinner given to him at Adelaide on the 10th of January 1840: "Again, it has been said that we have tracts of barren country; true, we have some tracts of barren country: but I could ask, what country has not? England has its tracts of barren land, and they are not few in number; America, where I have been, has tracts of barren land; the Continent of Europe has large tracts of barren land; and our neighbours in New South Wales have very large tracts of land which is of little use. Here we have some barren land as well. It is out of the question to think of having a land containing nothing but fertile vallies. But then

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then look to the good land we have; look at the Reed Beds, at the Mount Barker district, at Morphett Vale, at M'Laren's Vale, at the vallies in the neighbourhood of Rapid Bay, at the Valley of Yankallillah, at the Valley of Currency Creek, and look at the valley of the Murray, 200 miles in length, and we may safely put up with a few hundred acres of barren land at intervals. I am sure two-thirds of what we call barren land in this country, is better than what I have seen inclosed and cultivated with greater care than is our best land here. But people here have such an immense extent of country before them, that nothing but the very best will please them."

3036. *Chairman.*] Have you any information as to the opening of the new port?—We have no official report; we have only heard of the opening of the road between the port and the city.

3037. Lord *Stanley.*] What distance is it from the south-eastern extremity of Lake Alexandrina, where this land has been surveyed, to the eastern extremity of the colony where it joins Port Phillip?—I think it must be within 70 miles due east of the meridian which forms the legal boundary, but probably upwards of 150 miles from any station actually occupied within the district of Port Phillip. The stations lie to the south-east, nearer to the sea than the nearest point of the boundary to Lake Alexandrina.

3038. Are you aware of the recent formation of a new settlement at the western extremity of the colony of Port Phillip?—Yes, we have intelligence of it.

3039. Do you anticipate any results; and, if so, what results from the formation of that new settlement in Port Phillip, in the immediate vicinity of the colony of South Australia, as affecting the prospects of South Australia?—I should hope that the influence ought to be decidedly favourable; the more neighbours they have the better for them, if they keep on good terms; which I think will be promoted by raising no question of changing their boundary.

3040. Do you know how far to the eastward of Lake Alexandrina, in the direction of Port Phillip, this survey extended?—I think the surveyor-general has kept along the borders of the lake.

3041. A very little distance from the lake?—I should think, a very little distance from the lake.

Colonel *Robert Torrens*, called in; and further Examined.

Col. *R. Torrens.*

3042. *Chairman.*] THE Committee understand that you wish to offer some observations upon an account which has been delivered in by the commissioners?—I do. The last return which was ordered by the Committee I have now in my hand, and am about to present it; it is signed by the accountant of the commission, and has been agreed to by the other commissioners. By this return it appears, that had a loan of 120,000 *l.* been raised in June 1840, there would have been, on the 1st of March, a sum of 40,000 *l.* and upwards in the hands of the commissioners, after having paid all liabilities falling due up to the 28th of February. It is necessary for me to state what the practice of the commission was in the year 1840. In January 1840 we had an available surplus in our hands, over and above the liabilities, of about 30,000 *l.* That surplus of 30,000 *l.* belonged to the emigration fund. We continued to borrow from the emigration fund, though that emigration fund was created by the proceeds of the land sales of the previous year. We continued to borrow from it large sums in the course of the year 1840, for what I conceive to have been the very proper purpose of meeting the bills of Colonel Gawler, and thereby averting, as long as we could, a financial crisis: we continued to borrow from the emigration fund created by the land sales of the previous year, not only until we had exhausted the whole of the emigration fund then in hand, but until we had exceeded it, and until we were unable to pay our own contract debts with the shipowners. That having been the practice in the year 1840, I presumed it would have been the practice in 1841. As we had a balance in January 1840, of about 30,000 *l.*, and as we applied that to pay the liabilities coming upon us from the colony in the form of Colonel Gawler's bills, I presume that if we had had, under the arrangement of a loan, raised in June a surplus over immediate liabilities of 74,000 *l.* on the 1st of January 1841, we should have pursued the same course which we formerly had pursued, and have applied the money to the payment of the incoming bills, and thereby have averted

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averted the crisis that has occurred till after the meeting of Parliament had afforded an opportunity of interfering and placing the finances of the colony upon a sure foundation. I believe that the commissioners in the year 1841 would not have reversed the course which they adopted in 1840, assuming that that was a wise course. It was concurred in by all the commissioners. I myself believe that it was a most wise course on these grounds: if we had dishonoured Colonel Gawler's bills, and thereby destroyed the credit of the colony, and thrown labour out of employment, it would have been a most injurious process, while we were thus throwing labour out of the market to send in additional supplies of labour. Had we employed the emigration fund, not in honouring Colonel Gawler's drafts but in emigration, I think the persons we sent out would have perished upon the shore, or have been compelled immediately to re-emigrate to other colonies. With this preface I beg to put in this paper, which will show to the Committee that had a loan been raised in June 1840, when it could with ease and without dishonour have been raised, we should not have had an entire suspension of emigration as we have had during the autumn of 1840, nor the dishonouring of Colonel Gawler's drafts, with the dreadful and unknown calamities that may result from that; but we should have had a continued and moderate stream of emigration in the autumn of 1840, while we could have honoured all Colonel Gawler's drafts, saved the colony from all disasters, and have had on the 31st of March 40,000 *l.* in hand for the purpose of meeting all liabilities that might have occurred till the Committee had time to put the whole thing in proper order, under the sanction of the Lords of the Treasury.

3043. Lord *Stanley.*] Is not that saying, in other words, that you could have postponed the bankruptcy of the commission for another six months, involving yourselves in an increased deficiency, when the circumstances became ultimately investigated?—No, I apprehend not; because we should then have borrowed 120,000 *l.* to have met those liabilities instead of having to borrow the 155,000 *l.* which is now taken from the government.

3043*. What would have been your means of repayment?—The same means as now exist of repaying the 155,000 *l.*

3044. *Chairman.*] What are those means of repayment?—The same as at present; the existing difficulties would have been removed, and the means of repayment would have been the same as at present.

3045. What security could you have offered to the lenders of that money without a Government guarantee for the repayment of it?—We could have offered them what the Act of Parliament allowed us to offer, the revenues of the colony, with the unsold land.

3046. Do you believe that if the money had been advanced in the City, without a Government guarantee in last June, you would now have been in a condition, without the assistance of Parliament, to pay the interest and to pay off the debt in due time?—Under proper arrangements, I think that might have been the case. I do not think it is so now after so much evil has occurred; but I say that the crisis which has occurred would have been avoided and we should have been in the same position we are now in with regard to money borrowed.

3047. Do you mean that the crisis would have been altogether avoided or only postponed for a few months?—The crisis would have been altogether avoided, inasmuch as the Committee is about to establish the finances of the colony, I suppose, upon a new foundation, and it would have remained for the Committee to decide whether such a crisis should come on afterwards or not.

3048. Mr. *Wood.*] Would that loan have prevented the necessity of an application to the Government, or to Parliament through the Government, taking place in 1841?—I think that if wise precautions had been taken from the first, it might have done so; but after the thing became embarrassed, I think not.

3049. Lord *Stanley.*] Would not you, in point of fact, have been borrowing money from parties upon the alleged security of the colony, you being well aware at the time, that in order to make good that loan, you would have to come to the public purse?—I think that upon all occasions we should have had to come to the public purse, because I believe the public purse was always liable for all the debts which this colony should incur. Being a colony established by Act of Parliament, under the sanction of a commission appointed by the Crown, whatever debts it incurred, it was impossible for the Government and Parliament not to have paid them.

3050. *Chairman.*]

3050. *Chairman.*] Independently of that liability, had you not reason to believe in the course of last year, when you now say you think a loan ought to have been raised, that it would have been absolutely necessary for you to come to Parliament to enable you pay the interest of that debt?—I do not say that it would have been necessary; I believe that if the colony had gone on to flourish and there had been no crisis, it would have paid itself.

3051. Looking at what has actually happened, do you doubt that you must have come to Parliament in order to enable you to go on with the colony, and to repay the loan?—I am not looking at what has occurred; I say that what has occurred would have been averted by proper arrangements.

3052. Do you mean that by raising a loan of 120,000 *l.* in last June, the prosperity of the colony would have been continued, and all Parliamentary interference would have been unnecessary?—I should say that the prosperity of the colony would have been continued, and that in all probability Parliamentary interference would not have been required, or if it had been required, it would have been required without any previous calamity.

3053. Mr. *Wood.*] Would a loan of 120,000*l.* in June have lessened the amount of Colonel Gawler's drafts?—A loan in June would not have lessened the amount of Colonel Gawler's drafts, neither would a loan in July, neither would a loan in August, neither would a loan in September, neither would the money that we pressed the Chancellor of the Exchequer to give us: all which things would have been avoided had we raised a loan in June.

3054. Would a loan of 120,000 *l.*, raised in June, have been sufficient to meet Colonel Gawler's drafts and other engagements?—It would have done so up to the 1st of March, and have left a surplus of 40,000*l.*

3055. But with other outstanding dependencies?—The same as at present.

3056. Would Parliamentary aid have been necessary now to meet those dependencies?—Parliamentary aid might have been equally necessary as now, but with this difference, that you would not have had any calamity; you would not have had your shipowners crying for their money, and you would not have that distress, and possibly starvation, that will exist in the colony in consequence of the crisis.

3057. Is then, the conclusion you wish to draw this, that instead of the dishonour of the bills occurring when Parliament were not assembled, it would not have come on till Parliament were assembled, and that then Parliament might, by timely provision, have avoided the effect of the dishonour of the bills?—Yes.

3058. You mean to say, that the effect of raising a loan in June last, would have been that, but nothing beyond that?—I do not say nothing beyond that, because I believe the colony was progressing so rapidly, that the sheep and other things were multiplying so rapidly, that had we turned another year, it might never have been necessary to come to Parliament at all.

3059. Then you consider, that postponing the crisis of the dishonour of the bills till Parliament met, would have been productive of great advantage to the colony compared with its condition in consequence of what has actually occurred?—I consider it would have been a most decided advantage, inasmuch as it would have prevented the calamity. If we had taken from the public the money now taken from the Government, we should have averted the calamity, and have been in the same position with respect to the money that we are in at present.

3060. *Chairman.*] Have you any further statement that you wish to make, with a view of elucidating the Account which was furnished by the commissioners at your request?—It has been stated in evidence by Mr. Elliot that he conceived that it would be highly improper to borrow from the emigration fund arising from the sales of land in previous years. Now, I do not think it improper; and I do not think it improper for this reason, that all the commissioners concurred in doing it throughout the whole of the year 1840; they borrowed from the emigration fund created by the sales of land in the year 1839.

3061. You mean that in the year 1840 they, from the necessity of the case, expended all the funds in their hands, whether arising from revenue or from the emigration fund?—They did so; the necessity of the case compelled them to do so. If they had had an emigration fund of 42,000*l.* in hand on the 31st of January in the present year, the necessity of the case would have compelled them to do the same, because it would have been equally necessary to meet the

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bills of Colonel Gawler, to prevent the dishonour of the colony. They would have pursued the same course in each year.

3062. Is there any other point to which you wish to call the attention of the Committee?—I wish to lay before the Committee a paper entitled "Financial Position," from January to June 1840.

3063. Is that drawn up by yourself, or under your direction?—It is drawn up by the accountant, under my direction.

3064. Lord *Stanley.*] Was it drawn up by the accountant on the part of the commissioners, or drawn up by the accountant in pursuance of your private instructions?—In pursuance of my individual instructions.

3065. Your brother commissioners, then, are unacquainted with the contents of that paper?—I do not know that they have seen the paper.

3066. *Chairman.*] With what view do you tender it to the Committee?—To show the financial position of the colony during the whole of the first six months of 1840.

3067. Lord *Stanley.*] In what respect does it differ from the former paper put in upon the same subject upon the authority of the commissioners?—It is a different paper altogether. There is Paper, No. 5, which is presented by Mr. Elliot, which was drawn up as this was drawn up, by my directions. That Paper, No. 5, gives the financial position half-yearly, during the whole period of the colony; this gives the same kind of account merely for the first six months of 1840.

3068. *Chairman.*] Does this paper require any explanation in order to make it intelligible to the Committee?—I think it will require some explanation, and I will endeavour to do it. It would appear by that statement that the surplus in the hands of the commissioners on the 1st of January 1840 was 30,136 *l.*, that on the 1st of February this surplus had decreased to 21,944 *l.*, the land sales at this time having nearly ceased. This was a rate of declension of the unpledged funds in our hands which would have brought us, without a loan, to insolvency in a little more than two months. Therefore I say that even in January 1840, when we were going at a rate which would bring us to insolvency in little more than two months, it would not have been unwise to have looked before us, and to have taken the first favourable opportunity in the money market of getting a loan.

3069. What was the surplus in March?—It became higher in March.

3070. Was not it higher in March than in January?—It was much higher. In the course of February we had fortunately a payment from the colony, almost one of the last payments on account of the proceeds of the land sales of the previous year, and that arrested the declension for a period, and on the 1st of March the available surplus became 30,244 *l.*; on the 1st of April, when there were no longer land sales coming in, it diminished to 21,316 *l.*, and in May it was only 12,000 *l.* Therefore the diminution was going on, and it was evident upon the 1st of May that we were upon the verge of insolvency. On the 1st of June there was only a surplus of 3,453 *l.* Therefore, I say, that at each of those periods it would have been not unwise to have obtained a loan.

3071. Sir *W. Molesworth.*] Do you think the effect of the system of special surveys has been advantageous to the colony, or the contrary?—I think it has been advantageous.

3072. Has not it tended to produce excessive speculation in land?—It may have had somewhat of that tendency; but the reason that I think it has operated peculiarly beneficially in South Australia is, that the great delay that took place in putting the people into possession of their land was such that many persons were going away; and Colonel Gawler, availing himself of the principle of special surveys, allowed many people to club their land orders together, and to take special surveys, and they thus got possession of many good portions of land at a much more rapid rate than under those circumstances they could otherwise have done. Generally speaking, I think the advantage of the special survey system is, that it allows persons to select the most fertile land in the first instance, whereas, if you confined them within a certain circle where ordinary surveys may be supposed to be going on, you compel them to take bad land instead of good, and you produce in a new country those economical evils which are produced in an old country by gradually taking in the inferior land, and thus causing the rates of profit to fall and rents to rise. The very

evil

evil that we wish to get rid of in an old country by emigration, is produced by keeping them in too narrow a circle.

3073. Is not the effect of the special survey system to cause great expense to the Government in the shape of surveys of land?—In South Australia that has been the case, because it has been a geometrical survey; but if the system which we recommended, of a sort of running survey, had been adopted, the expense would not have been so much; but it would have been a greater expense than an ordinary survey, and, therefore, I think our system would have been much improved if we had called upon the persons that took special surveys, to pay the additional cost.

3074. Has it not been found in South Australia, that it has encouraged excessive speculation in land?—There has been a great deal of land speculation in South Australia, but I think not from that cause; it was because they had not got their country sections, and therefore they were kept together, many of them with a great deal of money, and they had no other occupation than that of building, and the value of houses became very high, and a kind of mania occurred. But this was because they could not spread out over the land and cultivate, and not from the special surveys, because the speculation principally took place in the town acres, where the special surveys could have no influence.

3075. *Chairman.*] Were the commissioners themselves restricted from holding land, or were they, any of them, proprietors in the colony?—The government people in the colony were rather encouraged latterly to hold land, but the commissioners were discouraged by a letter from Lord Glenelg; but previously to that letter that was not at all the case; on the contrary, it was rather wished to be done.

3076. Sir *W. Molesworth.*] Are you aware whether any of the officers of the commission have any pecuniary interest in the system of special surveys by their having become purchasers of land either directly or indirectly?—I am not aware that any of the commissioners have any interest in any special survey.

3077. Are you aware whether any of them have become purchasers of land in the colony?—I became an owner of land.

3078. To what amount?—About 1,000 *l.*

3079. While you were a commissioner?—While I was a commissioner.

3080. Was that previous to or after the letter of Lord Glenelg?—Very long previous.

3081. Lord *Stanley.*] Do you hold that land at present?—I am getting rid of it; it is not actually assigned, but it is equitably done.

3082. Do you hold country lots or town lots?—Both; I took 12 sections, which gave me 12 town acres, and 12 sections of 134 acres each.

3083. You purchased then at the rate of 12 *s.* an acre?—I did.

3084. Had you a representative in the colony when the original lottery took place?—Yes, I appointed a person there to take my chance, and he drew lots for me.

3085. When did you commence receiving a salary as commissioner?—I commenced from the first of my appointment.

3086. When was that?—In 1835.

3087. When was the salary first sanctioned?—I think in 1837.

3088. Then in 1837, upon the salary being sanctioned, you drew your salary from 1835, not having drawn any before?—Yes; the Lords of the Treasury sanctioned it from the commencement of my duties, as had been done in all other cases in the commission.

3089. You were acting from 1835 to 1837 as an unpaid commissioner?—Yes.

3090. But in 1837, when the salary was first sanctioned, that salary was awarded to you from the period of 1835?—Yes.

3091. It was paid in a lumping sum, three years' salary together?—Yes. The other commissioners declared that they would serve gratuitously; I always stated that, as chairman, my duties would be so constant and so arduous, that I should expect a salary; but I did not make very pressing application for it till after the colony was, as I supposed, established.

3092. Are the Committee to understand that, in accepting the office of commissioner in 1835, you announced then that you expected and intended to

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receive a salary?—Not then; when I was first nominated as commissioner by Mr. Secretary Spring Rice, I then announced to him that I could not serve without a salary.

3093. When you were appointed as commissioner in 1835, were you appointed as a paid or as an unpaid commissioner?—As an unpaid commissioner at the outset.

3094. When was the period when you made up your mind that you intended and expected to receive a salary?—I always intended and always expected to receive a salary.

3095. When you accepted office as an unpaid commissioner?—Yes.

3096. *Chairman.*] Are you aware of the correspondence that took place with Mr. Angas, in October 1835, with reference to his vacating his seat at the commission?—Yes; I became recently aware of that.

3097. Were not you a commissioner at the time that Mr. Angas vacated his seat at the Board in consequence of his having a personal interest in the colony of South Australia, which was considered by the Government, and by Mr. Angas himself, incompatible with the duties of a commissioner?—I, at that time, believed that the letters referred to future purchases and future bargains which Mr. Angas then, as chairman of the South Australian Company, was about to enter into with the commission. I did not think it referred to far past transactions, which was my case.

3098. Sir *William Molesworth.*] Did not Mr. Angas resign his office of commissioner in consequence of having become a proprietor of land in the colony?—He had not quite become a proprietor then; he was about to engage extensively in buying land, and in other pecuniary transactions with the commissioners, and therefore he resigned.

3099. Lord *Stanley.*] Upon the ground that it was unfit for a commissioner to have a pecuniary interest in the colony?—Upon the ground which I have just stated.

3100. *Chairman.*] Is the letter of the 22d of October 1835, from the Under Secretary of State to the commissioners, the letter you refer to as having been written by Lord Glenelg, discouraging the purchase of land by the commissioners while they held that office?—Yes; I considered that after that letter no commissioner had a right to purchase any land.

3101. How long had the commission been in existence at that time?—About six months.

3102. Sir *William Molesworth.*] Did your name appear in the public list of purchasers of land in South Australia?—No, it has not appeared upon the public list of purchasers.

3103. Did you purchase the land through the agency of another person?—I will explain how it occurred. At the first commencement of the duties of the commission, the great and almost insuperable difficulty was to realize the preliminary sales to the amount of 35,000*l.*, and also to realize the money necessary for the guarantee fund; therefore, all the persons that took an interest in the colony were strongly urged to lend pecuniary aid. I had always intended to risk about 1,000*l.* in the colony, long before the commission was appointed, and I then renewed my intention, and said that I would risk 1,000*l.* in it; and I induced persons to buy this land for me, upon a pledge that when they chose to call upon me I would take it off their hands; therefore, it did not appear in the first instance in my name. But I beg to say that it was not in consequence of any wish to conceal it, for I always avowed that it was mine; I never concealed it.

3104. Lord *Stanley.*] Was this land, in the first instance, purchased by other persons out of their means?—They advanced the money, and I paid it back with interest.

3105. How soon did they call upon you to pay the money, and to take the land?—I cannot remember the date.

3106. About when?—It was two years after, I dare say.

3107. It was subsequently to your becoming a paid commissioner?—I cannot exactly say; I rather think it was, but I am not positive.

3108. Was it subsequently to the letter of Lord Glenelg, which prohibits any person being a commissioner from becoming interested in land in South Australia?—Yes, I paid the rest of the money after that letter was received, but I had paid part of it long previously; therefore, though the land was held in pledge

pledge by them, in their own names, as a security for the remaining purchase-money, I had long before paid part of the money; therefore, it was only completing a transaction to which I was bound, it was not a new transaction.

3109. *Chairman.*] Did you conceive that that letter merely imposed a prospective prohibition upon the commissioners afterwards acquiring an interest in land in the colony, or that it declared that any commissioner who had such an interest would be expected to tender his immediate resignation?—I conceived, always, that it was prospective; that it referred to people buying land subsequently to the date of the letter; I thought it did not relate to my case at all, but merely to Mr. Angas's case, who was about to enter into large transactions with the commission.

3110. Was not the letter addressed not to Mr. Angas but to the commission of which you are chairman, and did it not contain a distinct enunciation of the principle that any one whose duty it being, as a commissioner, to sell land, should also buy, would disqualify himself from continuing a member of the Board?—No doubt of it.

3111. Did you communicate to the Government at that time that you were a proprietor of land in the colony?—I did not, because that letter was not considered by me as referring to my case, and I attended very little to it; but subsequently, when that letter was brought before me, I read it again, and I saw that this letter called upon me to tender my resignation, and consequently I immediately tendered it.

3112. How soon was it brought under your notice?—Not till very recently.

3113. Do you mean to say that this letter of October 1835, written to the Board, of which you were chairman, did not strike you in that light till very recently?—No, it was put by; I did not look at the letter in that light, and when the individuals who had advanced the money for the purchase of the land called upon me to repay them, I had entirely forgotten that letter; but as soon as circumstances called to my mind those things which had happened before, I tendered my resignation, and got Lord John Russell's opinion upon the whole transaction.

3114. You mean that you tendered your resignation to Lord John Russell in consequence of having that letter brought under your notice?—Yes, as soon as it was brought to my notice.

3115. Has it been accepted?—Conditionally.

3116. Sir *William Molesworth.*] When was your resignation tendered?—About two months ago.

3117. Were you not aware at the time that Mr. Angas had retired from the commission in consequence of having purchased land in the colony?—In consequence of his being about to make large purchases, but it was long prior to that; I beg to state that I have acquired no pecuniary advantage whatever from this land; it remains as it was when I first got it; it has never been the subject of special survey, or of any bargain whatever, except one, which, though beneficial to myself, I allowed the holder to cancel as soon as the crisis depreciated the value of the land. I took it chiefly for the purpose of aiding the establishment of the colony by fulfilling the conditions of the Act of Parliament.

3118. Do you wish to make any further statement to the Committee?—There are one or two things with regard to Mr. Elliot's evidence, which I wish to observe upon. In answer to Q. 1362, he says, "In July 1840, when we knew that the colony was on the verge of insolvency, this report was not merely sent in, but composed." I beg leave to say, that almost the whole of that report was composed very early in the year; the report was drafted in the early part of the year; it was written at many intervals. There were two or three passages put in, later in the year, and I remember that one was omitted respecting the application of the municipal regulation to the Council, that it might be put in a letter of the new commissioners, and something was added qualifying the strong belief expressed as to the prosperity of the colony.

3119. You mean that that Fourth Report was not, in fact, complete and in a condition to be sent into the office till July 1840?—It was composed long before, but it was not signed by the commissioners. The next is the answer to question 1362. In reference to the plan of finance alluded to in the Fourth Report, he says, "We would have accepted it with gratitude, but we never saw it." I beg to say that all that plan was submitted to the new commissioners.

Col. *R. Torrens.*

30 March 1841.

The plan consisted, first, in raising a loan upon easy terms, by giving great facilities for raising money by means of issuing bonds convertible into land.

3120. Do you refer to the correspondence which took place between yourself and Mr. Freshfield, and which you produce to the Committee?—Yes.

3121. Have you anything to state with reference to that plan in addition to what appears upon the face of the correspondence which you have handed in?—No; but that is a part of what was referred to in the report, which Mr. Elliot says he knew nothing about; it appears as if I had kept back from my colleagues some plan which I had, to their prejudice.

3122. Did you ever bring that under the notice of your colleagues, and communicate the correspondence which took place between yourself and Mr. Freshfield, a copy of which has been delivered in?—The loan part of the plan was brought before the commissioners in that correspondence; it was discussed several times, and finally rejected. The next part of the plan was to put the expenditure of the colony under the control of a representative council, which was not only submitted to my colleagues, but they adopted it in the month of July. Another part of the plan was to have a land sinking fund; that is, to get the sanction of Parliament either for getting an extension of territory or for reserving a portion of the present territory from the operation of the existing Act, and applying the proceeds to pay off the debt.

3123. Do you mean to say, that those were distinct propositions alluded to in the Report of the Commissioners, as having been under their consideration with a view to place the finances of the colony on a stable foundation?—They were not directly alluded to in the report, it was merely said, "It is superfluous for us to go into the measures which we should have adopted had we continued in office." Then Mr. Elliot says, that some sentences contained in the draft letter which was sent in on the 26th of August, were startling to him, and he never heard of them before; I wish to show that in those sentences, I was speaking not of the principle of the colony, but of a different thing; I said that the machinery of the colony had broken down, and I was not inconsistent there; my language has always been the same, as will appear from the First Annual Report to the Fourth Report. I always said, that the machinery was very bad, but the principle was very good.

T. Frederick Elliot, Esq. further Examined.

T. F. Elliot, Esq.

3125. *Chairman.*] HAVE you any statement to address to the Committee with reference to the financial accounts which have been given in by the commissioners?—In reference to the remarks just made by Colonel Torrens, there are one or two points that appear to me necessary to notice, and I will endeavour to do so as briefly as possible.

In my former evidence, I said, that after paying off the emigration debt on the 31st December in any one year, I thought it would be improper immediately afterwards to borrow money again, no fresh land sales having occurred. Colonel Torrens now observes, that the commissioners pursued the course of borrowing money in the year 1840; and he appears to consider that there is some inconsistency in that fact with my former statement. The difference between the two cases is this; at the end of 1839, no emigration debt had been paid off at all; it had not been necessary under the Act to pay off the debt. That is the first distinction; and in the next place, at the very first Board which ever assembled of the new commissioners, we heard of fresh land sales to the amount of 50,000 *l.*; and within the next four or five months, we heard of further sales in the colony, to the extent of about 25,000 *l.* Under those circumstances, we did continue last year to borrow money from the emigration fund, as pointed out in the Act. But on the 31st of December 1840, we should have been obliged, if we had possessed the means, to pay off the debt to the emigration fund; and on the other hand, we should have been aware that the sales both at home and in the colony, were quite stopped.

There is another ground of alleged inconsistency. Colonel Torrens has observed, that if the new commissioners would not have been content to stop emigration, in order to pay the bills, he is surprised that they should have persisted in trying for a loan, not only in July, but in August and in November. I beg to observe, that in August they did not persist in trying for a loan

T. F. Elliot, Esq.

30 March 1841.

a loan, but on the contrary, expressly refrained from any further attempt, alleging the very reason, that since they must replenish the emigration fund, they would be obliged to refuse the bills. In November, it is true, they submitted what reasons they could to the Government for getting money; but then not as a loan to South Australia, to carry on the colony upon its old principles, but as a measure of relief, to pay off debts.

To those two topics I must beg leave to add one remark. The tables and statements which the commissioners collectively laid before the Committee were not prepared to prove any specific result; they were general statements, giving general views of the colony, extending over large periods. The different tables that have since been called for at the instance of Colonel Torrens were intended to prove specific results, and many of them are not mere statements of facts, but involve hypothesis; yet rather than oppose giving any information wished, we have allowed them to go in, though the majority of the commissioners dissent from the hypothesis on which those tables are founded. One table proceeds upon the supposition that emigration would have been stopped altogether, though we should have raised large sums of money; another on the supposition that we should only have sent out three ships. I beg now to explain that we should not have taken that course. We should have felt bound to carry on emigration when we had the means, or at least to replenish the emigration fund according to the stringent provisions of the Acts. The fundamental principle of the colony is to provide for emigration. It is on this that all who had faith in the prosperity of the colony relied. Long after the commission became insolvent, the South Australian Company, and the South Australian Society equally pressed us to the resumption of emigration: one gentleman, I believe the largest proprietor in the colony, went so far as to say in our office, very late in the year, that he would rather advance the money from his own funds than that we should not renew emigration. The tables to which I object proceed on the assumption that we should have exercised a discretion on a point, upon which the whole object and use of the South Australian Act was to render it impossible for us to exercise any discretion at all: it was to guard against the possibility of postponing emigration to other objects, that so much value has been set upon the enactments upon that subject.

Martis, 27° die Aprilis, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Viscount Mahon.
Mr. R. Currie.	Sir W. Molesworth.
Lord Eliot.	Mr. J. Parker.
Lord Fitzalan.	Mr. Vernon Smith.
Mr. W. Gladstone.	Mr. Sotheron.
Sir G. Grey.	Lord Stanley.
Mr. G. Hope.	Mr. G. Wood.
Lord Viscount Howick.	

The RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

Rowland Hill, Esq. called in; and Examined.

Rowland Hill, Esq.

27 April 1841.

3126. *Chairman.*] THE Committee understand that you wish to make some addition to your answer to Question 2312?—I do; the answer stands at present thus: "I think the colony, 18 months ago, at the period I left the Commission, was then in a very successful state." The addition I wish to make to that reply is the following: It possessed a considerable and rapidly increasing revenue, (derived chiefly from customs,) which promised to be sufficient, at no distant period, to provide for all the necessary expenses of government. It had a land fund which for the year then current amounted to nearly 170,000 *l.*, the largest sum, I believe, that had ever been raised in any one year in any British colony; and although it had borrowed 80,000 *l.*, it possessed Government securities, and money which must have been nearly, if not quite sufficient, to pay off this and all other claims.

Martis, 4° die Maii, 1841.

MEMBERS PRESENT.

Captain A'Court.	Lord Howick.
Mr. Raikes Currie.	Lord Mahon.
Lord Eliot.	Mr. Parker.
Lord Fitzalan.	Mr. Vernon Smith.
Mr. G. Hope.	Mr. Sotheron.

The RIGHT HON. SIR GEORGE GREY, BART. IN THE CHAIR.

T. F. Elliot, Esq. called in; and Examined.

T. F. Elliot, Esq.
4 May 1841.

3127. *Chairman.*] ARE you able to give the Committee any information as to the quantity of land which has actually been sold in South Australia which has not been surveyed, and for which therefore a certain expense has yet to be incurred on account of the surveys?—The object will be to ascertain the quantity of land of which the surveys will require to be provided for, when any new measure for establishing a fee on surveys can come into operation.

3128. Assuming all future surveys will be provided for, what quantity of land is there which purchasers have actually paid for, and on which no extra charge can be imposed for the purpose of survey?—Colonel Gawler, in his official minute of the 3d of April 1840, stated that, including special surveys, there remained in round numbers about 200,000 acres to be surveyed; since the time Colonel Gawler gave that information, there have been sales in England to the extent of 7,000 acres, and sales reported from the colony, up to June 1840, to the extent of 2,500 acres. I think as a moderate and reasonable estimate for additional sales in the colony, till the result of this Committee's inquiries can be known, we may assume 7,500 acres more would be sold, making 17,000 acres, or in round numbers 20,000 acres, to be added to the 200,000 reported by Colonel Gawler in April 1840. Now Captain Dawson, in a report on colonial surveys generally, estimated the progress of the work, and the cost in South Australia; the progress is at the rate of 150,000 acres per annum, the cost at the rate of 3 *s.* 2 *d.* per acre. The latest bill we have from the colony is dated in December 1840; and it is fair to assume that up to that date the surveys, in common with the other expenditure of the colony, had been actually paid for. At the rate of 150,000 acres per annum, 100,000 acres ought to have been surveyed up to the date I last mentioned of December, and may be considered to have been executed and paid for. Out of the whole quantity therefore of 220,000 acres which I estimated, 100,000 acres may be considered as disposed of, and there will remain to be executed, when any measures founded on the deliberations of this Committee can reach the colony, 120,000 acres to survey; and at the rate of 3*s.* 2*d.* an acre, this quantity would cost about 19,000*l.* This is the best estimate I can form, at the old cost of surveys.

3129. Then you think the expense incurred on this head would not exceed, speaking in round numbers, the sum of 20,000 *l.*?—I think there is reason to hope it will not at any rate exceed 20,000 *l.*; but if the cost of surveys be materially reduced, as is likely, the expense of course is still lower.

3130. Lord *Mahon.*] What is the date of the last account you have had from the colony?—24th November 1840.

3131. Do the latest accounts contain anything important bearing on the inquiries now before the Committee?—Only one letter reached us by the overland mail, and it contained no intelligence of importance; the Governor had not at that time heard of the stoppage of his bills.

3132. Do you expect any further intelligence within the next few days?—It is impossible to say; the despatches from South Australia arrive by such various opportunities.

APPENDIX.

PAPERS LAID BEFORE THE COMMITTEE.

1.—PAPERS presented by the Colonial Department:

Memorandum, by Mr. Gairdner, of Papers presented by the Colonial Department relative to South Australia - - - - - - - - - - - - - - p. iv.
Schedule of the Papers presented by the Colonial Department - - - pp. vii–x.
The Papers - - - - - - - - - - - - - pp. 1–150

2.—PAPERS—viz.:

(1.) Letter from James Oswald, Esq. M.P. to the Right Hon. Lord John Russell, dated 16 February 1841, transmitting Memorial from certain Merchants of the City of Glasgow, having Claims on the Colony of South Australia - - - p. 150
(2.) Memorial from Merchants of Glasgow, dated 13 February 1841 - - - p. 150
(3.) Letter from R. Vernon Smith, Esq. to J. Oswald, Esq. M.P. dated 22 February 1841, in reply to the foregoing Letter- - - - - - - - - - p. 150

3.—Papers delivered in by Colonel Torrens:— - - - - pp. 151–169

1st Period, Negotiations with Government until the passing of the Act - - p. 151
2d Period, from the passing of the Act to the gazetting of the First Commission - p. 152
3d Period, from the gazetting of the Commissioners to Departure of First Governor p. 157
4th Period, from the Departure of Governor Hindmarsh to the appointment of Governor Gawler - - - - - - - - - - - - - - - p. 160
5th Period, Progress of the Colony under Colonel Gawler in 1839 - - - p. 163

4.—Letter from South Australian Commissioners to James Stephen, Esq. dated 22 February 1841, transmitting Despatch from the Resident Commissioner, with Statistical Return of the State of the Province - - - pp. 170, 171

5.—Statement of all Bills of Exchange drawn by the Authority of Colonel Gawler since his Arrival in the Colony, and which have been either signed or countersigned by Himself - - - - - - - - - - pp. 172–177

7.—Correspondence—viz.:

(1.) Letter from Rowland Hill, Esq. to James Stephen, Esq. dated 3 April 1837 - p. 178
(2.) Letter from Rowland Hill, Esq. to James Stephen, Esq. dated 14 April 1837 p. 181
(3.) Letter from James Stephen, Esq. to the Colonization Commissioners, dated 26 April 1837 - - - - - - - - - - - - - - p. 182
(4.) Letter from James Stephen, Esq. to A. Y. Spearman, Esq. dated 26 April 1837 p. 182
(5.) Letter from A. Y. Spearman, Esq. to J. Stephen, Esq. dated 8 June 1837 - p. 183
(6.) Letter from James Stephen, Esq. to the Colonization Commissioners, dated 19 July 1837 - - - - - - - - - - - p. 186
(7.) Letter from R. Torrens, Esq. to James Stephen, Esq. dated 20 April 1838 - p. 187
(8.) Letter from James Stephen, Esq. to A. Y. Spearman, Esq. dated 30 April 1838 p. 189
(9.) Letter from James Stephen, Esq. to Colonel Torrens, dated 30 April 1838 - p. 190
(10.) Letter from A. Y. Spearman, Esq. to James Stephen, Esq. dated 11 June 1838 p. 190
(11.) Letter from James Stephen, Esq. to the Colonization Commissioners, dated 12 June 1838 - - - - - - - - - - - - - - p. 190

8.—Statements delivered in by T. F. Elliot, Esq. 5 March 1841:

(1.) Financial Statement of the Colonization Commissioners for South Australia, 7 March 1841 - - - - - - - - - - - - - - - p. 191
(2.) Statement of Bills drawn from the Colony each Three Months - - - p. 192
(3.) Bills drawn from South Australia, which have been presented in the year 1840, and in the Months of January and February 1841 - - - - - - p. 192
(4.) Statement of Ways and Means during 1840, submitted to the Board Monthly p. 193
(5.) Financial Position at the Commencement of the Half Years of 1 January and 1 July 1836–1841 - - - - - - - - - - - p. 194
(6.) Yearly Statement of the Loans from the Emigration Fund - - - - p. 196

9.—Paper delivered in by G. F. Angas, Esq. 4 March 1841:

Correspondence relative to the Resignation of G. F. Angas, Esq. Colonization Commissioner, p. 197

10.—Papers delivered in by Colonel Torrens, 5 March 1841:

(1.) Draft proposed to be substituted by Colonel Torrens for the Letters to the Colonial Department, dated 26 August and 17 September 1840 - - - - p. 200
(2.) Statement of Shipping arrived in Port Adelaide, from 1 January to 31 December 1839 p. 203

11.—Paper delivered in by G. F. Angas, Esq. 18 March 1841:

Topographical Collection of Rocks and Minerals from the Ranges of Hills in South Australia; by J. Menge - - - - - - - - - - - - - - - p. 205

12.—Papers delivered in by John Rundle, Esq. M. P. 18 March 1841:

Municipal Corporation Act for the City of Adelaide (passed the Legislative Council of South Australia, 17 August 1840), Colonel George Gawler, K.H., Governor - p. 207

13.—Papers delivered in by T. F. Elliot, Esq. 11 March 1841:

(1.) Public Revenue of South Australia for 1839, and the First Quarter of 1840 - p. 216
(2.) Shipping, 1839: computed from Customs Return enclosed in Colonel Gawler's Despatch, No. 50, of 26th November 1839, and No. 26 of 20th March 1840 - p. 216
(3.) Return intended to show the probable Population of South Australia at the End of 1838, 1839, and 1840 - - - - - - - - - - - - p. 217
(4.) Statement of the Yearly Sales of Public Lands in South Australia effected in England and in the Colony - - - - - - - - - - - - - p. 218
(5.) Monthly Statement of Sales of Public Lands in South Australia during 1839 and the First Half of 1840, effected in the Colony - - - - - - - p. 218
(6.) Monthly Statement of Sales of Public Lands in South Australia during the Years 1839 and 1840, effected in England - - - - - - - - - - - p. 219

14.—Papers delivered in by Colonel Torrens, 18 March 1841:

(1.) Mr. Pennington's Minute on the South Australian Financial Arrangements - p. 220
(2.) Revenue Bonds payable for Land - - - - - - - - - p. 223
(3.) South Australian Colonial Revenue Security - - - - - - - p. 225
(4.) Extract from Professional Bill of Mr. Freshfield, delivered to the Commissioners, p. 225
(5.) Memorandum:—Extracts from Despatches of Colonel Gawler, and from Enclosures which he requests may be considered as Official - - - - - - p. 226

15.—Despatches addressed to and received from Colonel Gawler, during the Years 1838, 1839, and 1840, relative to the Finances of South Australia - - - - - - - - - - - - - - p. 229—266

16.—Monthly Statements of Ways and Means, for the Year 1840:

(A.) Statement of Ways and Means for the year 1840, on the assumption of a Loan of 120,000 *l.* having been raised in June, payable by equal Instalments in the Months of July, September, and November, and also on the further assumption of One Emigrant Ship having been dispatched in each of the Months of September, October, and November - - - - - - - - - - - - p. 266
(B.) Statement of Ways and Means for the Year 1840, on the assumption of a Loan of 120,000 *l.* having been raised in June, payable monthly, by six equal Instalments, commencing on the 1st of July; and also on the assumption that no Emigrant Ship was dispatched after August - - - - - - - - - - - - p. 267

17.—Correspondence relative to the Resignation of Colonel Torrens, as Colonization Commissioner:

(1.) Letter from R. Torrens, Esq. to Lord John Russell, dated 15 December 1840 - p. 268
(2.) Letter from Lord John Russell to R. Torrens, Esq. dated 30 December 1840 - p. 270
(3.) Letter from R. Torrens, Esq. to Lord John Russell, dated 4 January 1841 - p. 270
(4.) Letter from Lord John Russell to R. Torrens, Esq. dated 11 January 1841 - p. 270
(5.) Letter from R. Torrens, Esq. to Lord John Russell, dated 13 January 1841 - p. 271
(6.) Letter from Lord John Russell to R. Torrens, Esq. dated 19 January 1841 - p. 271
(7.) Letter from R. Torrens, Esq. to Lord John Russell, dated 24 March 1841 - p. 271
(8.) Letter from J. Stephen, Esq. to R. Torrens, Esq. dated 31 March 1841 - p. 272

18.—Paper delivered in by E. G. Wakefield, Esq. 30 March 1841:

Memorial of Bankers, Merchants, Shipowners, Manufacturers, and others, interested in the Colony of New South Wales, to Lord John Russell - - - - - - p. 272

19.—Papers delivered in by Colonel Torrens, 30 March 1841:

Financial Statement, showing the Amount of the Funds which would have been in the hands of the Commissioners on the 1st of January, the 1st of February, and the 1st of March 1841, after the Payment of all Liabilities fallen due up to the 1st of each of those Months, and on the assumption that a Loan of 120.000 *l.* had been contracted for in June 1840, and that Three Emigrant Ships of the ordinary Class had been dispatched in the Autumn of that Year - - - - - - - - - - - - - p. 274

19.—Papers—*continued.*

(B.) Financial Position, January to June 1840 - - - - - - - - p. 274
Statement, showing the Debt chargeable upon the Revenues of the Colony, which would be due in England on the 1st May 1841, assuming the Expenditure, as per Ways and Means for 1840, marked (A.), and that the Loan of 155,000 *l.* is received from the Government, instead of the Loan of 120,000 *l.*, as assumed in that Statement; and providing also for the Bills which have been estimated in the Returns made to the House of Commons - - - - - - - - - - - - - - - p. 275

21.—Copy of a Despatch from Governor Sir George Gipps to Lord John Russell, dated Sydney, 27 October 1840 - - - - - - - - - - - - - - - p. 276

23.—Copy of a Despatch from Lieutenant-governor Sir John Franklin to Lord John Russell, dated Van Diemen's Land, 22 October 1840 - - - - - - - p. 276
Letter from G. F. Angas, Esq. to Lord John Russell, dated 16 April 1841 - - p. 278

24.—Correspondence respecting the Conduct of Mr. Fisher and Mr. Gilles, who held the Offices of Resident Commissioner and Colonial Treasurer in South Australia - - p. 279

27.—Memorial of the Magistrates, Merchants, and other Inhabitants of South Australia to the Secretary of State for the Colonies - - - - - - - - - - p. 283

28.—(1.) Letter from the Colonization Commissioners for South Australia to Lord John Russell, dated 10 December 1840 - - - - - - - - - - - p. 285
(2.) Extract from a Despatch from Colonel Gawler, dated 26 February 1840 - p. 286
(3.) Copy of a Despatch from Colonel Gawler to the Secretary of State for the Colonies, dated 27 June 1840 - - - - - - - - - - - - - - p. 287

29.—Copy of a Despatch from Lieut.-Colonel Gawler to the Secretary of State for the Colonial Department, dated 5 December 1840 - - - - - - - - - - p. 289

30.—Letter from the Colonization Commissioners for South Australia to James Stephen, Esq. dated 12 May 1841; transmitting the South Australian Resident Commissioner's Half-Yearly Report to 30 June 1840 - - - - - - - - - - - - p. 290

31.—Copy of a Despatch from Governor Gawler to Lord John Russell, dated 28 December 1840, p. 298

33.—Copy of a Despatch from Governor Gawler to Lord John Russell, dated 18 January 1841, p. 323

34.—Bills drawn in the Colony each Three Months in 1840, being in completion of Statement, No. 2, delivered in by T. F. Elliot, Esq. 5 March 1841 - - - - - - p. 324

Paper delivered in by E. G. Wakefield, Esq. 26 March 1841:

Letter from E. G. Wakefield, Esq. to the Colonization Commissioners for South Australia, p. 325

Report on Surveying, considered with reference to New Zealand, and applicable to the Colonies generally, by Captain R. K. Dawson - - - - - p. 340

PLAN (1.)—District of Adelaide, showing the application of the Running Survey to that Locality.

PLAN (2.)—District of Adelaide, South Australia, as divided into Country Sections; from the Trigonometrical Surveys of Colonel Light, late Surveyor-General.

PLAN (A.)—Maritime Portion of South Australia from Captain Flinders, and from more recent Surveys made by the Surveyor-General of the Colonies.

PLAN (B.)—Special Surveys in South Australia, to the Eastward of the Gulf of St. Vincent, from Lat. 33° to 35° 40′ S.; from Documents in the Survey Office, Adelaide.

Paper, No. 1.

MEMORANDUM, by Mr. *Gairdner*, of PAPERS presented by the Colonial Department relative to *South Australia*.

Memorandum.

THE negotiations with the various parties concerned in the establishment of the settlement of South Australia commenced during the administration of Lord Goderich, in February 1831, and were brought to a close by him in August 1832. They were recommenced by Mr. W. Whitmore, M. P. with Lord Stanley, in July 1833, and carried on till his Lordship left the Colonial Office, in June 1834. On the day on which Mr. Spring Rice received the seals of the Colonial Department, Mr. Whitmore opened the correspondence with him. On the 15th August 1834, the South Australian Act passed, and on the 27th April 1835, Lord Glenelg signified the approval of the Government of the list submitted to his predecessor of the Colonization Commissioners, to give effect to the provisions of the Act.

4 June 1834.

4 & 5 Will 4, c. 95.

The first person who came forward as the projector of the settlement was Major Bacon. He addressed himself to Mr Hay, then Under Secretary of State, and the official answer returned to his application discouraged the project.

Major Bacon, however, had several interviews on the subject with Lord Howick, who was also Under Secretary of State; and on the 30th of October 1831 an advertisement appeared in the Spectator, asserting that the Government had given their sanction to the project.

No. 1. Lord Howick then drew up a memorandum, which was communicated to Major Bacon, protesting against that statement, declaring that he had not been authorized by Lord Goderich to promise anything, recording what his own views really were, and suggesting, as the only mode of arriving at a practical result, that the parties should submit to Lord Goderich a draft of their proposed charter, which should have previously obtained the sanction of the Attorney-general.

No. 2. The subsequent correspondence was devoted to the discussion of various plans, until the 9th of July 1832, when Lord Howick's suggestion was so far acted on, that Colonel Torrens submitted a draft of a charter, as chairman of a provisional committee of the South Australian Land Company.

No. 3. On the 17th of the same month Lord Goderich's remarks on the project were communicated to Colonel Torrens. It was such as the Government, for the reasons stated, could not entertain.

No. 4. Colonel Torrens then expressed the willingness of the company to modify the provisions of the charter, so as to meet the views of the Government; but Lord Goderich closed the correspondence, on the consideration that their own opinions were evidently unsettled, and that the grounds of the whole measure must have been very imperfectly explored. Their readiness to abandon the most prominent principles of the plan was referred to in proof of that fact. It was added that Lord Goderich did not consider it convenient or compatible with his duty, to originate any scheme in substitution for that which was abandoned.

Vide No. 5.

This closed the correspondence during Lord Goderich's administration.

No. 6. On the 6th July 1833, Mr. Whitmore forwarded to Lord Stanley a modified plan.

No. 7. On the 22d August 1833, Lord Stanley, after considering that project, sent Mr. Whitmore a memorandum of the conditions on which he was ready to treat with the proposed company.

No. 8. A deputation had an interview with Lord Stanley, in February 1834, at which his Lordship further explained his views. Mr. Whitmore was not present, but on the 21st of that month, he, as chairman of the provisional committee, submitted a draft of a charter, which embodied many provisions considered objectionable, and opposed to the principles laid down by Lord Stanley. They are reviewed in the annexed letter of the 17th March, and Mr. Whitmore was there informed, that unless the association could assimilate their project much more to that which Lord Stanley had sketched, he must decline to proceed further in the negotiation.

No. 9.

No. 10. The association then abandoned the political part of the project, and sent in a modified proposition with a rough draft of a Bill.

No. 11. On the 15th April Lord Stanley addressed a letter to Mr. Grote, offering to give his provisional sanction to the undertaking on the further conditions laid down in that letter. A conference then took place, and the negotiations were still pending when Lord Stanley quitted office.

Vide Correspondence, Nos. 12 to 16. Mr. Spring Rice then came into communication with the association, and agreed to the project on the conditions set forth in the letters from the Colonial Department of the 17th June and 12th July 1834.

On

On the 15th August 1834 the Act passed. On the 13th February 1835, Colonel Torrens, as chairman of the association, submitted the names of the gentlemen proposed as Colonization Commissioners. A question then arose as to the personal liability of the Commissioners, which was referred to the Board of Treasury, and a Report made by the Commissioners of Audit. No. 17. Act 4 & 5 Will. 4, c. 95. No. 18. Nos. 18 to 22.

On the 27th of April 1835 Lord Glenelg expressed his approval of the list of Commissioners proposed to his predecessor by Colonel Torrens. Mr. Lefevre, late Under Secretary of State, and Mr. Barnard, Agent-general for the Australian colonies, were added on the part of the Government. No. 23.

The first person selected as Governor was Major-general Sir Charles Napier. He subsequently declined to proceed to South Australia, on the ground that he could not undertake the office without troops, and a permission to draw on the Government for funds in case of emergency. Captain Hindmarsh was then selected. No. 24.

The Colonization Commissioners sent in their schedule of the establishment of the colony, and were permitted to select their own officers. No. 25.

In July 1836, Captain Hindmarsh sailed with the first main body of settlers. In January 1837 he reported his arrival and assumption of the government. He became involved in a series of difficulties and contentions, and at the recommendation of the Commissioners, to whom every question referred home was submitted, he was recalled in February 1838. Colonel Gawler was appointed at their express recommendation. No. 26. Nos. 27 and 28

At the suggestion of the Commissioners, the offices of Governor and of Resident Commissioner were united in the person of Colonel Gawler; and the Commissioners had, therefore, full power under the Act of Parliament of conveying to him their instructions on financial subjects. That power was rendered complete from the following circumstance:— No. 29. No. 30. *Vide* No. 31.

In the year 1836 a question had been raised by the Colonization Commissioners as to the degree of control vested in them by the Act of Parliament, over the funds raised under the provisions of that Act for the expenses of the colony. The opinion of the law officers of the Crown was taken by the Board of Treasury, and it was decided that the control over such funds rested solely with the Commissioners. *Vide* Nos. 32 to 40.

Closely connected with the question of the control over the finances of the colony was that of the amendment of the Act of Parliament, which will be found in the accompanying correspondence. Nos. 41 to 49.

On the 31st July 1838 the Act 1 & 2 Vict. c. 60, brought in by a member of the Commission, was passed, which, besides, amending some errors in the former Act, authorized the Commissioners to raise money by way of annuity; to apply the proceeds of one fund, by way of loan, to the purposes of the other; to raise money, on the security of the revenue, to pay debts incurred to either fund; to apply the proceeds of the sale of lands in payment of revenue securities. No. 50.

In the early part of the year 1839, it was suggested by the Commissioners that the instructions which they might from time to time issue to the Resident Commissioner in the colony should be submitted for revision to the Secretary of State. This proposal was at first entertained, but the system was soon abandoned as inconvenient. *Vide* Nos. 51 to 53.

On the 9th December 1839 the chairman of the then existing Commission addressed a letter to the Secretary of State, requesting, on the part of the members of the Commission, an interview on the subject of their receiving remuneration for their services. On the 23d of the same month they were informed that it was the intention of the Government to constitute a Board of three salaried Commissioners for the general purposes of colonial land sales and emigration, under the direction of the Secretary of State and Board of Treasury; and it was intimated that the Commission as then constituted would be dissolved. No. 54. No. 55.

In the final Report of that Commission, dated in January 1840, but transmitted to the Colonial Office by Colonel Torrens on the 20th July following, the Commissioners congratulate themselves on the success of the undertaking. On the 7th of the same month the present Commission first brought under the knowledge of the Secretary of State the embarrassments of the colony, and they then proposed that they should, under the authority vested in them by the Act, raise a loan to the whole extent permitted by the Act, of 120,000*l*. To that proposal the Lords of the Treasury assented, on the recommendation of the Secretary of State; but on the 26th of August following the Commissioners felt themselves called on to make a further statement of facts, which had been brought to their knowledge by more recent reports, addressed to them by Colonel Gawler, in his capacity of Resident Commissioner, and which convinced them that the financial embarrassments of the colony were such as to render it unjust to the public to negotiate further for a loan without a full disclosure of the circumstances of the colony. That, and subsequent communications from the Commissioners, showing the liabilities of the colony, were referred to the Board of Treasury, and after a full investigation by a member of their Lordships' Board, a Treasury Minute, bearing date the 3d of November, was communicated to the Secretary of State. That Minute stated the extent of the guarantee which their Lordships felt justified in giving for the repayment of a loan. *Vide* Parliamentary Paper, No. 556, of 1840. No. 56. No. 62. Nos. 63 to 73. *Vide* Mr. Parker's Report, No. 71. No. 72.

On the 6th of January 1841 the Commissioners reported their failure to raise a loan on the terms of the Treasury Minute, and they have been directed on the part of the Government to inform parties having claims on the colony, that the case would be brought before Parliament without delay, with a view of making such satisfaction of their claims as Parliament might sanction.

Memorandum.

Colonel Gawler's reports were addressed almost exclusively to the Colonization Commissioners; but on the 23d of January 1839 he addressed a despatch to the Secretary of State, which forms an exception to that general rule. It was written three months after his arrival in South Australia, and states the view which he then took of the condition of the colony. That despatch, having been referred to the Colonization Commissioners, was reviewed in a report, which will be found amongst the documents now presented to the Committee. Annexed is also a copy of Colonel Gawler's address to the Legislative Council of South Australia, on the 3d April 1840, on the financial proceedings of the year 1839, and containing an abstract statement of the revenue and expenditure of the colony for the last quarter of the year. A copy is also given of the despatch of the Secretary of State, addressed to Colonel Gawler, announcing his recal.

No. 74.

No. 75.

No. 76.

No. 77.

On the 18th November 1840, Captain Grey, the newly appointed Governor of South Australia, submitted to the Secretary of State a minute, containing a summary of several important subjects on which he was desirous of receiving instructions for his guidance, on assuming his office of governor. Copies of that communication, of the correspondence thereon with the Board of Treasury and the Colonization Commissioners, together with a copy of Lord John Russell's instructions, are annexed.

Nos. 78 to 84.

SCHEDULE

OF THE

PAPERS PRESENTED BY THE COLONIAL DEPARTMENT.

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PAPERS PRESENTED BY THE COLONIAL DEPARTMENT.

—No. 1.—

MEMORANDUM by Lord *Howick.*

Colonial Office, 31 October 1831.

No. 1. Memorandum by Lord Howick.

I WAS surprised to see in the Spectator of yesterday, an assertion that the Government had given its sanction to the plan for the establishment of a chartered colony in Australia. This statement is not strictly correct. It is a mistake to suppose that any official sanction has been given to the plan; the only approbation which has been expressed was conveyed by myself, verbally, to Major Bacon; and in the conversations I had with him, I distinctly informed him that I was authorized to promise nothing, and that I merely expressed my own opinion, being ignorant of that which Lord Goderich might entertain, as I did not consider the plan sufficiently matured to receive his decision.

The substance of what I said in this unofficial manner was this, that I myself thought very favourably of the project, and that, doing so, I was anxious it should be laid before Lord Goderich in such a shape as to be most likely to meet with his approbation. For this purpose I advised the modifications in the original project, with respect to the number of inhabitants which should be considered sufficient for the introduction of a representative government, and with respect to the nomination of the governor, which have since been made. I further suggested that the draft of the charter which it was desired to obtain, should be prepared and submitted to the Attorney-General; and I stated that if this draft, approved by him and accompanied by a respectable list of subscribers, were brought under the consideration of Lord Goderich, and if it should be clearly made to appear that the Government would be put to no expense, I had little doubt that Lord Goderich would recommend that the charter should be issued. With respect to the difficulty which was stated to exist about obtaining subscriptions without having first obtained the sanction of Government to the scheme, I said that in my opinion what would be the fairest for all parties would be, that the draft of the charter should be submitted to Lord Goderich, with a list of subscriptions conditional upon the sanction of the Government being granted; and that, upon the drafts being approved by Lord Goderich, the sums subscribed for should be actually paid up, or at least a certain proportion, before the charter should actually issue; that thus the subscriber would run no risk of being drawn in to contribute to an unsanctioned project, and the Government would equally avoid all danger of giving its countenance to a scheme which there were no funds to support.

(signed) *H.*

— No. 2.—

COPY of a LETTER from *R. Torrens*, Esq. to Lord *Goderich.*

South Australian Land Company's Office,
No. 8, Regent-street, 9 July 1832.

No. 2. R. Torrens, Esq. to Lord Goderich, 9 July 1832.

My Lord,

As chairman of a meeting of the provisional committee of the South Australian Land Company, I have the honour to address your Lordship, for the purpose of laying before you such a modification of the plan of the company as it is hoped will be found in accordance with the views expressed by your Lordship to a deputation from the committee on the 25th of last month.

It appeared to that deputation, that the hesitation of your Lordship to afford the sanction of his Majesty's Government to the proposed undertaking, was founded on the risk to which the Government would be exposed of reproach from Parliament, or the public, for having lent the authority of the Crown to an enterprize, which, after all, might not prove successful. In order to meet this difficulty on the part of your Lordship, it was suggested for your Lordship's consideration, whether the proposed charter might not be granted contingently, in such manner that the operation of the charter should be dependent upon the success of the company in planting a colony. Of this suggestion your Lordship was pleased to say, that any modification of the plan founded upon it, should receive your best consideration, and that it might remove the difficulties which had occurred to your Lordship. But your Lordship stated further that, although by rendering the operation of the charter contingent on success, many difficulties might be removed, still you would wish to know precisely what

No. 2.
R. Torrens, Esq.
to Lord Goderich,
9 July 1832.

course the company would pursue, for the purpose of trying that experiment on which the operation of the charter should depend.

Bearing in mind these your Lordship's views on the subject, the committee have prepared a draft of the proposed charter, which I have the honour to enclose. They were desirous that the charter should set out by describing that state of things, on the existence of which the provisions of the charter should come into effect; but they are informed that to such a form of proceeding there are serious technical objections; and they have therefore adopted the only practicable form on such occasions, by rendering the provisions of the charter null and void in case the experiment to be tried by the company should not prove successful. Consequently those words of the charter which give to the whole a contingent character, occur at the end instead of the beginning of the document.

When the deputation proposed that the test of success should be a given amount of population, your Lordship was pleased to observe, that such a test would not be complete, since a colony might ultimately fail, to which a great number of persons had emigrated without sufficient knowledge of the spot; and it was therefore proposed that the test of success should be combined of population and time; viz. a given amount of population residing in the colony during a given period. In the enclosed draft the committee have defined the amount of people, and periods of time, which they conceive would be a fair test of success; but in expressing their opinion, they are desirous that, if your Lordship should see fit, the provisions should be altered by your Lordship, whose mind it is their object to satisfy.

With a view to the experiment, on the success of which the continued operation of the charter is made dependent, by the prospectus which it is proposed shall be issued forthwith, measures will be taken for raising an immediate capital of 50,000 *l.*, being the first instalment of the proposed capital to be subscribed of 500,000 *l.*

With part or the whole of this sum they propose:

1. To send out a party of 200 or 250 selected labourers and artisans with their wives (being married men), under the care of a commissioner or superintendent, accompanied by proper officers and assistants.
2. To purchase in Van Diemen's Land, such a supply of provisions, to be sent from time to time to the new settlement, as may be amply sufficient for the consumption of the body of persons sent out by the company.
3. To purchase in Van Diemen's Land, a number of cattle, sheep, pigs, &c. &c., to be kept as stock in the new settlement, for the purpose of ascertaining the fitness of the country for grazing purposes.
4. To take such measures in the new settlement as may seem required for the purpose of fitting the country for the reception of other emigrants, and especially to survey and prepare maps of the land, in the neighbourhood of what may be the first settlement.
5. In case the soil of the proposed settlement should not be found fit for colonization, the company will sustain and provide for the emigrants.

In accordance with the power to be vested in the company by the charter, they propose to furnish the company's servants in the colony with a set of rules and regulations for the maintenance of order in the settlement.

Although in the present stage of the undertaking they are not prepared to lay before your Lordship a particular statement of such rules and regulations, they wish to say, generally, that the object of the company in framing them will be, as much as possible, to give the body of settlers at large a voice in what concerns them especially; and for this purpose they propose keeping in view the instructions furnished by Sir Basil Keith, governor of Jamaica, to Mr. Ferguson, as superintendent of the settlement of Honduras, in 1775.

Amongst the instructions given to the servants of the company, none can be considered more important than that by which they will be desired to forward to England, with the least unnecessary delay, a report concerning the soil and productions of the new settlement, and its fitness, generally, for colonization.

On the receipt of the early reports from the superintendent and council, the company will be governed, as to any further proceedings, by the tenor of those reports.

The committee trusts that the experimental character now proposed for the first expedition, and the important provision which renders the duration and effect of the charter contingent on the company's success, in the attempt to plant a colony, will satisfy your Lordship that the sanction of his Majesty's Government may be accorded to this enterprize without risk of inconvenience to your Lordship, or of injury to any department of public service; but in order that no doubt may be left on your Lordship's mind as to the beneficial operation of the proposed charter, the committee are very desirous that the object of each clause thereof should be verbally explained to your Lordship by a deputation from themselves.

In consequence of the advance in the season, and the great importance of so arranging the first expedition, that the first settlers may reach the colony some time before the winter, the committee venture to express a hope that your Lordship may not find it inconvenient to fix an early day for receiving their deputation.

I have, &c.
(signed) *Robert Torrens*, Chairman.

No. 2.
R. Torrens, Esq.
to Lord Goderich.
9 July 1832.

To the King's Most Excellent Majesty in Council.

The humble Petition of ,

Showeth,

That that part of your Majesty's dominion of New Holland, which lies between the 132d and 141st degrees of east longitude, both inclusive, and between the 20th parallel of south latitude on the north, and the Southern Pacific Ocean on the south (and which includes the shores of the large inlet known by the name of Spencer's Gulph), together with the large island called Kangaroo Island, and other islands adjacent, enjoying a temperate and salubrious climate, and a soil adapted for the production of all the necessaries of life, and of many valuable articles of commerce, is eminently fitted for the reception of emigrants and settlers from other parts of your Majesty's dominions.

That a great number of your Majesty's subjects are desirous of emigrating thither, with their families, for the purpose of settling and forming a colony within the territory aforesaid.

That for the purpose of aiding and assisting, with capital and otherwise, in promoting the objects and views of the persons aforesaid, and of facilitating the colonization of the said territory in the most speedy and beneficial manner, your petitioners, together with a number of other persons, have formed a company under the name of the South Australian Land Company, with the further object of purchasing and acquiring land in the territory aforesaid, for which purposes your petitioners, and such last-mentioned persons, have subscribed a capital of 500,000*l.*, in shares of 50*l.* each.

That your petitioners are advised that the beneficial purposes aforesaid will be more effectually accomplished, and that it will be attended with great benefit and advantage to your Majesty's subjects generally, if your Majesty would be graciously pleased to grant your Majesty's Royal letters-patent, erecting the aforesaid territory into a separate and distinct province, and constituting your petitioners and the other subscribers to the said capital of 500,000*l.* a body corporate and politic.

Your petitioners, therefore, most humbly pray, that your Majesty will be graciously pleased to grant your Majesty's Royal charter or letters-patent, erecting the territory aforesaid into a separate and distinct province by the name of South Australia, or such other name as your Majesty may think fit, constituting your petitioners and the said last-mentioned persons one body politic and corporate, by the name and style of The South Australian Land Company, for the purposes expressed, and for such other lawful purposes, and upon such conditions, and with such restrictions, regulations and provisions as to your Majesty may seem meet.

And your petitioners will ever pray, &c.

William the Fourth, by the Grace of God of the United Kingdom of Great Britain and Ireland King, Defender of the Faith, and so forth, to all to whom these presents shall come, greeting.

Whereas have presented their petition to us in Council, humbly setting forth (amongst other things) that that part of our dominion of New Holland which lies between the 132d and 141st degrees east longitude, both inclusive, and between the 20th parallel of south latitude on the north, and the Southern Pacific Ocean on the south, and which includes the shores of the large inlet known by the name of Spencer's Gulph, together with the large island called Kangaroo Island, and other islands adjacent, enjoying a temperate and salubrious climate, and a soil adapted for the production of all the necessaries of life, and of many valuable articles of commerce, is eminently fitted for the reception of emigrants and settlers from other parts of our dominions:

That a great number of our subjects are desirous of emigrating thither with their families, for the purpose of settling and forming a colony within the territory aforesaid:

That for the purpose of aiding and assisting with capital, and otherwise in promoting the objects and views of the persons aforesaid, and of facilitating the colonization of the said territory in the most speedy and beneficial manner, the said petitioners, together with a number of other persons, have formed a company under the name of The South Australian Land Company, with the further object of purchasing and acquiring land in the territory aforesaid, for which purposes the said petitioners and such last-mentioned persons have subscribed a capital of 500,000*l.* in shares of 50*l.* each:

That the said petitioners are advised that the beneficial purposes aforesaid will be more effectually accomplished, and that it will be attended with great benefit and advantage to our subjects generally, if we should be pleased to grant our Royal letters-patent, erecting the aforesaid territory into a separate and distinct colony, and constituting the said petitioners, and the other subscribers to the said capital of 500,000*l.*, a body corporate and politic; and the said petitioners, therefore, most humbly prayed us to grant our Royal charter or letters-patent for erecting the territory aforesaid into a separate and distinct province by the name of South Australia, or such other name as we might think fit, and constituting the said petitioners and the said last-mentioned persons one body politic and corporate, by the name and style of The South Australian Land Company, for the purposes expressed, and for such other lawful purposes, and upon such conditions, and with such restrictions, regulations and provisions, as to us might seem meet:

1. We, having taken the said petition into our Royal consideration, and being willing to give all fitting encouragement to the said undertaking, are graciously pleased to condescend to the petitioners' request: Know ye therefore, that as well upon the prayer of the said

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persons as of our especial grace, certain knowledge, and mere motion, we have given, granted, made, ordained, constituted, declared and appointed, and by these presents, for us, our heirs, and successors, do give, grant, make, ordain, constitute, declare, and appoint, that all that part of the said island or continent of New Holland which lies between the 132d and 141st degrees of east longitude, both inclusive, and between the 20th parallel of south latitude on the north, and Southern Pacific Ocean on the south, together with all islands lying and being in the Southern Pacific Ocean between the aforesaid degrees of longitude inclusive, and within five degrees of latitude from any part of the southern coast of New Holland aforesaid, shall be, and we do hereby, for us, our heirs, and successors, erect and constitute the same into a separate and distinct province, which we will shall be called by the name of South Australia.

2. And we do hereby further declare that likewise, as well upon the prayer of the said persons as of our own especial grace, certain knowledge, and mere motion, we have given, granted, made, ordained, constituted, declared, and appointed, and by these presents, for us, our heirs and successors, do give, grant, ordain, constitute, declare, and appoint, that the said

Incorporation of the company.

together with all and every other person and persons, and body and bodies politic and corporate, who have become and now are or shall at any time or times hereafter, and in manner hereinafter provided, become and be entitled to one or more share or shares in the capital stock of the corporation hereby created, and their respective successors, executors, administrators, and assigns (so long as they respectively shall be entitled to any such share or shares) shall be and be called one body politic and corporate in deed and in law, by the name and style of The South Australian Land Company; and them, by the name and style of The South Australian Land Company, we do for us, our heirs and successors, and for the purposes hereinafter mentioned, make, erect, create, ordain, establish, confirm and

Perpetual succession, and a common seal.

declare, by these presents, to be one body politic and corporate for ever. And our will and pleasure is, and we do hereby for us, our heirs and successors, declare and appoint that the said body politic and corporate, by these presents created by such name as aforesaid, shall have perpetual succession, and shall and may have and use a common seal, with power from time to time to make, change, alter, and make anew the same, as to them shall seem

Power to hold lands in England.

meet or expedient; and that they and their successors, by the name aforesaid, shall be capable in law, notwithstanding any statute of mortmain, to have, purchase, take, hold, receive, possess, and enjoy any messuages, lands, rents, tenements, franchises, and hereditaments whatsoever in Great Britain, not exceeding in the whole the value of 1,000*l.* per annum at the time they or their successors shall purchase the same, and also any and all manner of goods, chattels, moveables, and things whatsoever, and to sell, grant, alien, and

Power to hold lands in Australia.

demise, or dispose of the same messuages, lands, rents, tenements, franchises, hereditaments, goods, chattels, moveables and things, or any of them, or any part thereof, at their free will and pleasure; and that they and their successors, by the name aforesaid, shall and may be capable in law to have, purchase, take, hold, receive, possess, and enjoy any lands, territories, possessions, tenements, jurisdictions, franchises, and other hereditaments whatsoever, lying and being in the province of South Australia aforesaid, or elsewhere soever, of what quantity, quality, or value soever they be, and more especially any such as shall be granted by us in virtue of our Royal prerogative, and to sell, grant, alien, let, lease, and demise, or otherwise dispose of the same, or any part thereof, or any interest therein; and also to contract for, bargain, purchase, and export all such arms, ammunition, goods, merchandizes, matters, and things, as may be necessary or convenient for the cultivation, clearing or improvement of the lands which may be purchased or held by the said company as aforesaid, or as hereinafter mentioned, or for the maintenance and support or defence of the inhabitants of, and dwellers in, and persons to be conveyed or transported to the said province of South Australia, both in the said province and on their way thither; and shall also be empowered, and they are hereby authorized to import and receive, and to sell and dispose of all goods, merchandizes, matters, and things, which may be consigned or remitted to them from such their lands, in payment or satisfaction of any rent or purchase-money arising from the occupation or sale of any such land, and to receive and negotiate in England bills of exchange, promissory notes, or other negotiable securities for money which may be remitted to them on account of any such rent or purchase-money; and shall also be empowered, and they are hereby authorized to transport and convey out of our realms of Great Britain, or any other of our dominions, or from any other place whatsoever into the said province of South Australia, all such and so many of our subjects, or of any foreigners that may be willing to become our subjects, and live under our allegiance in the said province, as shall willingly go and inhabit and reside there; and for the purposes aforesaid, or any other lawful purpose, to purchase, build, hire, contract for, charter or freight any ship or ships, vessel or vessels, and employ the same in carrying and transporting such persons, arms, ammunition, goods, merchandizes, matters, and things as aforesaid, or in such other lawful manner as to the said company and their successors shall seem fit; and that the said company, by the name aforesaid, shall and may sue and be sued, implead and be impleaded, answer and be answered, defend and be defended, in courts of record and elsewhere, and before any judges, justices, officers, and ministers, of us our heirs and successors, and in all and singular pleas, actions, suits, causes, and demands whatsoever, and of what nature or kind soever, and shall and may by the name aforesaid do, perform, and execute, and cause and procure to be done, performed and executed, all or any lawful acts, matters, and things whatsoever appertaining to them, to do, perform, or execute, by virtue of these presents or otherwise.

3. And

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3. And we do declare, that the said corporation shall be and is established for the purposes of purchasing, holding, improving, clearing, settling and disposing of, by sale or otherwise at their discretion, waste and other lands in the province of South Australia aforesaid; and for making advances of capital to settlers in the lands within the said province, and for the building or assisting in the building of cities, towns and villages, and for the opening, making, improving and maintaining roads, canals and other internal communications through the same, and for making, constructing and improving docks, harbours, and other public works for the benefit thereof, and for the purpose of rendering the same a more desirable and convenient place of residence or abode, and for conveying all such persons, whether our subjects or foreigners, as shall be willing to settle there, and more particularly labouring persons, and for promoting the cultivation of such articles as can advantageously be exported from the said province, and for the other purposes hereinafter mentioned, and for all and every other objects and purposes, object and purpose of every kind or nature whatsoever, either directly or indirectly connected with or relating or incidental to the several objects and purposes aforesaid.

Capital and shares.

4. And we do further declare, that the capital or joint stock of the said company, to be used and applied in establishing and carrying on the said undertaking, and for the objects, designs and purposes aforesaid, shall be the sum of 500,000 *l.* sterling, to be raised in and divided into shares of 50 *l.* each, and that the shares in the said undertaking and in the profits and advantages thereof, shall be and be deemed personal estate, and as such personal estate shall be transmissible accordingly; and that all and every person and persons, body and bodies politic and corporate, being the proprietor or proprietors of one or more such share or shares, shall be entitled to be the proprietor or proprietors of a proportionate share of the capital stock of the said company, and of the profits and advantages attending the same, provided that no smaller sum than 50 *l.* shall be subscribed in respect of any one share, and that no share of 50 *l.* shall be divisible into parts.

Shares to be personal estate.

Subscribers to pay calls.

5. And we do hereby further declare, that the several persons who now have, or hold, or shall at any time and from time to time hereafter have or hold any share or shares in the said company; and in case of the capital of the said company being increased at any time or times hereafter, by the creation of new shares or otherwise as hereinafter mentioned, all and every the proprietor and proprietors of, and person and persons subscribing for any one or more of such shares, shall pay, and they are hereby required to pay, the sum or sums of money by them respectively subscribed, or such parts or proportions thereof as shall from time to time be called for, pursuant to or by virtue of the powers and directions of these presents, at such times and places, and to such persons, and in such manner as shall be ordered and directed by the court of directors for the time being of the said company; and that in case any person or persons shall neglect or refuse to pay any such sum or sums of money, at such times and in such manner as shall be ordered and directed by the court of directors as aforesaid, it shall be lawful for the said company to sue for and recover the same, together with lawful interest, from such appointed time of payment, and till payment from such person or persons respectively, and his, her or their heirs, executors or administrators; and in those cases where two or more persons shall be jointly possessed of any one or more share or shares in the said company, then from all or any or either of such persons, his, her or their heirs, executors or administrators.

Recoverable in default of payment.

Forfeiture for non-payment of calls.

6. And we do hereby further declare, that if any subscriber or subscribers, or any proprietor or proprietors of any share or shares in the said company, his, her or their executors, administrators, successors or assigns, shall neglect or refuse to pay his, her or their proportion of the money to be called for by the court of directors as aforesaid, for the space of 21 days next after the time appointed for payment thereof, together with lawful interest from the appointed time of payment, and till payment, then and in every such case the person or persons so neglecting or refusing shall (unless a court of directors should in each such case, within 30 days after the expiration of such 21 days, decide otherwise) cease to be a proprietor or proprietors in respect of each share in the said company and capital stock as to which default may be so made, and absolutely forfeit the same, and all profits and advantages thereof; and all money theretofore advanced by him, her or them, or those under whom he, she or they shall derive title on account thereof, to and for the use and benefit of the said company, and of the other proprietors thereof rateably according to their shares, nevertheless without prejudice to the right of enforcing the payment of such call or calls, and that each share which shall or may be so forfeited, shall or may at any time or times thereafter, as may be provided by any bye-law of the said company for the time being, or otherwise at the discretion of a court of directors, either be extinguished for the benefit of the said other proprietors, or be sold and re-issued to any person or persons whatsoever, and the produce thereof shall go to and make part of the capital or joint stock of the said company.

Names of proprietors to be entered in a book.

7. And we do further declare, that the said company, or the directors to be appointed by virtue of these presents, shall cause the names, descriptions and addresses of the several persons who have subscribed and now hold, or may at any time hereafter be entitled to any share or shares of the said capital, whether by original subscription thereto or by such transfer as hereinafter mentioned, with the number of such share or shares, and also the proper number by which every share shall be distinguished, to be clearly and distinctly entered in a book or books to be kept at the office of the said company, by their clerk or secretary.

Shares to be transferable.

8. And we do hereby further declare and ordain, that it shall be lawful for the several proprietors of the said company, their executors, administrators, successors or assigns (subject to such regulations and restrictions, if any, and in such manner and form as the court of directors

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directors for the time being of the said company shall from time to time order and direct), to sell and transfer any share or shares of which they shall respectively be possessed; provided that no transfer of a share or shares shall be valid unless the same be made by a written instrument, in such form and at such time or times, and according to such regulations and restrictions as shall be ordered and directed by the court of directors for the time being; and that from the time of such transfer or transfers being duly completed, and not before, the transferee or transferees shall become a member or members of the company in respect of such share or shares so transferred to him, her or them, and that no transfer shall be made of any fractional or aliquot part of any share in the said company.

No transfer of a fractionable part.

No transfer until calls paid.

9. Provided always, and we do further declare and ordain, that after any call for money shall have been made and become due and payable by virtue of these presents, no person or persons, body or bodies politic or corporate, shall sell or transfer any share or shares which he, she or they shall possess in the said company, or receive any dividend, interest, profit, or bonus, or exercise any right in respect of the same share or shares, or any or either of them, until the money so called for in respect of his, her or their share or shares intended to be sold shall be paid; and that until such money so called for shall be paid, any such sale or transfer of any share or shares shall be void, unless he, she or they shall at the time of such sale or transfer pay to the bankers of the said company, or such person or persons as the said court of directors for the time being shall appoint to receive the same, the full sum of money called for upon every share so to be sold or transferred.

Probates, &c. to be produced at the office of the company.

10. And we further declare, that no executor, administrator, trustee by will, or assignee in bankruptcy, or under any Act for the Relief of Insolvent Debtors, of any proprietor who shall die or become bankrupt, or take the benefit of such Insolvent Act, shall be entitled to receive any profit or dividend, or vote at any meeting of proprietors, or to do any act in respect of any share held by him in any of the aforesaid capacities, nor shall any person or persons claiming any share or shares for his or their own benefit, as next of kin, legatee or legatees, or cestui or cestuisque trust under a will, be entitled to have such share or shares transferred until the probate or letters of administration, or an exemplification or other legal evidence of the contents thereof, or until the deed of assignment of such bankrupt's or insolvent's personal estates respectively establishing the title of such executor, administrator, trustee, assignee, or legatee or legatees, shall for three days have been left at the office of the company for the inspection thereof, by such officer of the same as the court of directors shall appoint for that purpose; provided nevertheless, that no bequest or clause in any such will contained shall bind or affect the said company with notice of any trust or disposition of any share or shares in the capital or joint stock of the said company, or in the gains or profits thereof; but that the receipt or receipts of the executor or executors who shall prove the will of such testator, or the administrator or administrators of his effects, to the said company for the gains and profits thereof, and to any purchaser or purchasers for the amount of the purchase-money paid upon the sale and conveyance of such share or shares, shall be good and effectual, and shall bind the cestuique trusts, and all other persons claiming in trust or otherwise under such testator, any rule of law or equity to the contrary notwithstanding.

Notice of trust not to bind the company.

To be twelve directors.

11. And we do further declare, that the business and concerns of the company shall be carried on under the management of 12 directors, to be chosen from time to time from amongst the proprietors for the time being of the said company, qualified by holding 25 shares, or such other greater or less number of shares as shall be determined from time to time by any bye-law of the said company to be a necessary qualification for the said office of director; and that such directors shall have the general management, direction, superintendence and control of the business and concerns of the company, and the custody of the common seal of the said corporation, and of the books of account and other books, deeds and papers, and shall have power to direct the investment, callings in and laying out, sale and disposal of the stock, effects, funds, monies and securities of the said company, and all other the traffic, commerce and dealings of the company, and to call general and other meetings of the proprietors, and to superintend, direct and control the correspondence and mode of keeping the accounts, and the ascertainment of dividends and the profits or shares, and to do all other things necessary, or to be deemed by them proper or expedient for carrying on the business and concerns of the company, and to do, enforce, perform and execute all the powers, authorities, privileges, acts and things in relation to the said company, and to bind the said company as if the same were done by the whole corporation; and that the directors for the time being shall have power to frame rules and regulations, and prescribe the orders and directions for carrying on the business and concerns of the said company, and alter and vary the same from time to time as they in their discretion may think proper; and all such rules and regulations shall have the force of bye-laws, provided the same be not repugnant to the laws and statutes of this realm, or to any of the provisions of these presents, or to any bye-law which may have been duly passed at any general or special meeting of the proprietors of the said company; and that no individual proprietor, not being a director (except the auditors in respect of their duties as auditors) shall have a right to any interference, management, direction or control in or over the business and concerns of the company, or the capital stock and effects thereof.

Their general powers and duties.

May make rules and regulations.

Number of directors may be increased or diminished.

Provided always, and we do hereby declare, that the said number of 12 directors may from time to time be increased or diminished by any bye-law of the said company, so that the same shall not exceed the number of 18 nor be less than nine; and we do hereby declare that it shall be lawful for the said directors for the time being to appropriate out of the money to arise from the per-centage which is to be allowed to the said company upon the South Australian Emigration Fund hereinafter mentioned, such a sum, not exceeding 2,000*l.* per annum,

annum, as they shall think fit, which shall be distributed amongst themselves at such times and in such manner, form, and proportions as the said directors for the time being may think fit; and we do further declare, that the persons hereinafter mentioned; that is to say, the said

Present directors named.

together with

shall be and they are hereby declared to be the first or present directors of the said company under these presents, and that they shall (unless they or any of them shall sooner die, resign, or become disqualified as hereinafter mentioned) continue in office until the annual general meeting of the said company, to be held on the third Wednesday in May, which will be in the year 1837, or within 14 days afterwards, or until others shall be duly elected in their room; and that at the said last-mentioned annual general meeting, and afterwards, the directors of the said company shall from time to time be chosen by the proprietors present and entitled to vote at a general meeting, and three of the directors for the time being shall go out of office at the said last-mentioned annual general meeting, and three others at every annual general meeting which shall be held on the third Wednesday in May, or within 14 days afterwards in every subsequent year, and three other directors shall be elected by the proprietors to continue in office for the succeeding six years, in the room of the three directors who shall from time to time go out of office, or the same or any or either of them may be re-elected a director or directors for the succeeding four years, and so from time to time, and that the order in which the said directors shall go out of office in the said year 1837, and the two years then next ensuing, shall be decided on by and between themselves by lots to be drawn for the purpose, or in any other manner that they may agree.

Rotation.

And we do further declare, that the want of or failure to elect all or any of the directors to compose a competent court of directors, shall not in any manner tend to work the dissolution of the said corporation, but that the general body of members shall and may be lawfully assembled and convened at some day to be fixed by the remaining directors, or the major part of them, for the election of the requisite number of directors in manner hereinafter provided, which directors so elected shall have and continue all the powers, privileges, and authorities hereinbefore provided for the continuance and government of the said corporation: provided always, that in case the number of directors of the said company for the time being shall be increased or diminished by any bye-law of the said company, as hereinbefore provided, then the number of such directors who shall go out of office, and the number who shall be elected in their room at every such annual general meeting as aforesaid, shall be increased or diminished in the like proportion, or as near thereto as conveniently may be, and as may be determined by any bye-law or bye-laws of the said company to be passed for that purpose, so nevertheless that in every other respect the provisions of this clause shall be observed and adhered to.

Failure to elect directors not to dissolve corporation.

12. And we do further declare, that the court of directors, and all and every the members thereof, their heirs, executors, and administrators shall be indemnified and saved harmless from and against all payments made or liabilities incurred, and all acts, deeds, matters and things executed, done, or ordered, and all sums of money, loss, costs, charges, damages, and expenses which they shall incur by reason of any contracts entered into by the said court within the limits of the rights and powers hereby granted to them, and they shall be indemnified out of the assets for the time being of the company, and, if necessary, by calls for that purpose of the capital which may remain unpaid; and the court of directors for the time being of the company shall apply the then existing funds, assets, and capital of the company for the purposes of such indemnity and reimbursement, so nevertheless that the directors, parties to such contracts, and their representatives, shall confide the performance and adjustment of such contracts, and the defence of actions under the same contracts, to the directors for the time being.

Indemnity to directors.

13. And we do further declare, that the directors for the time being of the said company shall meet together at the office of the company once at least in every three calendar months, and at such other times as they shall think proper, and at such other times as they shall be convened as hereinafter mentioned, and that each of such meetings shall be styled a court of directors, but that no meeting of directors shall be deemed a court competent to enter and determine upon business unless at least four directors shall be present; and that if, on the day appointed for any such meeting, a sufficient number of directors to constitute a court shall not attend, then in every such case the said meeting shall be adjourned to the next or some subsequent day by the directors then present, and if none be present, then by the secretary to the said company, or such other person as shall attend in his place, and that such court of directors for the time being shall in all respects conform themselves to such bye-laws, rules, and regulations as shall from time to time be made by any special or general meeting of the proprietors of the said company, and, subject to all such bye-laws, rules, and regulations, shall and may direct and manage the affairs and business of the said company, and are hereby empowered to carry into execution all the powers and authorities hereby vested in the directors of the said company for the time being, except in those cases in which the concurrence of a definitive number of directors shall be required as herein provided, and that any director shall be at liberty to call an extraordinary meeting of directors upon such notice and in such manner, and to consist at least of such number of directors, not being less than four, as shall be from time to time provided by the bye-laws of the said company or the orders of the court of directors: provided always, that all matters and things which the said directors shall in manner aforesaid and in writing order and direct to be done by sub-committees or other persons appointed under them, shall and may, by virtue of such orders, be done by the said sub-committees or other persons so appointed;

Meetings of directors.

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appointed; provided also, that in no case shall the corporate seal of the company be affixed to any instrument whatsoever, except by order of the court of directors and in the presence of at least two of the court of directors, who shall attest by their signatures such sealing, and that the same was done by order of the court of directors, which attestation shall be evidence of the fact of such orders.

Power to appoint persons to execute conveyances of land in South Australia.

14. Provided always, and we do hereby further declare, that it shall and may be lawful for the said company, by power of attorney or written instrument under their corporate seal, to constitute and appoint two or more persons, being in South Australia aforesaid, to make and execute conveyances, in the name and on the behalf of the said company, to any individual or individuals of any part of the land to be granted to or purchased or held by the said company in the manner hereinbefore contained, which conveyances shall be made under the signatures of the said attornies and under such seal as hereinafter mentioned.

Power to revoke such appointment.

15. And we do further declare, that it shall and may be lawful for the said company from time to time, as occasion may require, and as to them may seem meet, to revoke any such power of attorney or instrument as aforesaid, and again to make and grant any other power or powers of attorney, instrument or instruments, for the like purpose; provided that such powers of attorney or instruments as aforesaid be not addressed to fewer than two persons, and be made to take effect only when and so long as the persons thereby appointed shall actually be within the said province; and it shall also be lawful for the said company to appoint and commit to the custody of such their attornies for the time being a seal for the purpose of executing such conveyance as aforesaid, and such seal from time to time to break, alter, or renew as to them may seem meet; and every conveyance to be made and executed in manner aforesaid by such attornies for the time being as aforesaid of the said company shall be valid and effectual in law to all intents and purposes whatsoever.

Seal for that purpose.

Chairman of directors.

16. And we do hereby declare, that a chairman shall be elected by the directors for the time being from and amongst themselves, under such regulations as they may deem proper, to preside at each court of directors; and that in all courts of directors the votes and resolutions of the majority of the directors present, exclusive of the chairman, shall be binding (except in cases where the concurrence of a definite number shall be required, as herein provided), and that, in case of an equality of votes, the chairman of each respective meeting shall have a casting vote.

Directors to make calls.

17. And we do further declare, that the directors hereinbefore mentioned, or the directors for the time being, or such of them as shall be present at and constitute a court of directors, or the major part of them, shall have full power to make such call or calls for money from the several subscribers and proprietors for the time being of the company, their respective executors, administrators, successors, and assigns, not exceeding in the whole (including the sums already paid in respect of such shares), the sum of 50*l.* on each share of and in the capital stock of the said company, held by him, her, or them respectively, as the said court of directors shall from time to time find wanting and necessary for the purposes of the said company: and that the sum or several sums of money so to be called for shall be paid into such bank or banks, or to such banker or bankers, or other person or persons, and at such time or place as shall be appointed by the said court of directors, of which time and place not less than 30 days' notice shall be previously given, under the hand of the secretary for the time being, in the London Gazette, or in two or more of the daily London newspapers, one being a morning and one an evening newspaper, as the said court of directors shall direct; provided that such call do not at any time exceed 5*l.* upon and for every share, and so as there can be an interval of three calendar months at least between every such call and the next call to be made by virtue of these presents.

Payments to be made by order of court of directors.

18. And we further declare, that all the payments to be made from time to time (in this realm), out of the funds or property of the company, shall be made only by the order of a court of directors.

Directors may make contracts.

19. And we do further declare, that the court of directors for the time being shall have full power and authority, on behalf of the company, to enter into and execute, and also to release, modify, alter, vary, and discharge any contract, agreement, or engagement, whether under seal or otherwise, on behalf of the company, respecting any matters in which the company may be interested, and to make, do, and execute all assignments and conveyances, and all other acts to which the corporate seal is required to be affixed.

Directors to appoint officers.

20. And we further declare, that the court of directors for the time being shall have the power of appointing such managers, officers, agents, engineers, surveyors, clerks, book-keepers, workmen, and servants, either in this our own realm, or in the said province of South Australia, or elsewhere, as the business or concerns of the company shall, in their judgment, from time to time require to be employed therein respectively, and shall allow to them respectively such salaries, wages, compensations, gratuities, privileges, benefits, and allowances as the said court shall think proper; and shall have power from time to time to delegate to them respectively, by any instrument in writing or otherwise, such powers and authorities as the said court may deem expedient; and to vary, alter, or revoke such powers and authorities, and grant and delegate others, whenever and as often as the said court may think proper; and shall have power to displace and remove any managers, officers, engineers, surveyors, agents, clerks, book-keepers, workmen, and servants, either as occasion shall require, or as the said court, in their discretion, shall think fit, without being compelled to assign any reason for such dismissal or removal; and also from time to time, if deemed expedient, to appoint other persons to fill vacancies in their places and situations respectively.

Power in certain cases to remove a director.

21. And we further declare, that in case any director shall act in a manner which any three

three or more of the remaining directors shall deem to be a gross or wilful breach of his duty, or to be to the discredit, injury, or prejudice of the said company, it shall be lawful for such three or more directors to call a special meeting of the court of directors, to meet at the distance of not fewer than seven days, to consider the case of such director; and that the director whose case is to be considered shall also be summoned to attend at such meeting, but shall have no vote therein; and that it shall be lawful for the other directors, or for any number of them present at any such appointed meeting, not being less than one-half of the whole number of directors of the said company for the time being, to displace such director, who shall thereby cease to be a director, and shall be incapable of being again elected to that office; and that no person who shall hereafter be elected a director of the said company shall, in any case, have any dealings or business with the said company upon his own account, either directly or indirectly, and either separately or in conjunction with any other person or persons, or be concerned in any bargain or contract to be made by, to or with the said company.

Directors may resign, and how they become disqualified.

22. And we further declare, that any director for the time being may at any time resign his office, upon giving to the secretary for the time being 10 days' previous notice, in writing, of his intention so to do; and that in case any director shall cease to hold such number of shares in the capital of the company as aforesaid, or as shall, by any bye-law thereof, be made a requisite qualification for the office of director, or shall absent himself from the meetings of the directors for one year, without leave of a court of directors for that purpose, and a minute of such absence for one year, without leave, shall have been recorded upon the books of the said court, and signed by the directors, or the major part of them present at a court held after such absence, he shall become disqualified to be and shall *ipso facto* cease to be a director; and that in case any director shall die, or shall so resign, become disqualified, or be removed as aforesaid, an election of another person in the room of each director so dying, resigning, becoming disqualified, or being removed, shall take place according to the provision hereinafter contained; provided nevertheless, that until the disqualification of any director shall have been communicated to and recorded by a court of directors, every act and proceeding to which such disqualified director shall have been a party, shall be as binding and effectual as if no such disqualification had taken place; and that, notwithstanding any vacancy in the number of directors, by the death, resignation, or disqualification of any director or directors, or otherwise, the business of the company shall continue to be carried on by the other directors, until such vacancy shall be supplied, and as effectually as if no such vacancy had taken place.

Vacancies to be filled up.

23. And we do further declare, that on the displacement, death, refusal to act, incapacity of acting, disqualification, resignation, or removal of any director, and as often as the same shall happen, the court of directors (if it should think fit) shall, within 30 days, call a special general meeting of the proprietors of the company, in manner hereinafter provided, for the purpose of collecting and appointing a new director in the place or stead of any director so displaced, dying, refusing to act, becoming incapable of acting, being disqualified, resigning, or being removed; and that every director to be elected in the place of a director who shall be displaced, die, refuse to act, become incapable of acting, be disqualified, resign, or be removed, shall be and be considered as, and only as, the substitute of the director in whose place he shall be elected, and shall continue in office so long only as the person in whose place he shall have been substituted might have continued in office as a director.

24. And we do hereby further declare, that it shall be lawful for the said directors for the time being, from time to time to associate with them any number of persons of their own nomination, qualified by holding one or more shares in the capital of the said company, who shall be styled honorary directors of the said company, with a view of promoting and enlarging the objects of the said company by their influence and connexion, but who shall have no right to any management, direction, or control in or over the business and concerns of the said company, or the capital stock and effects thereof, further or other than as proprietors of the said company they would have independently of such their appointment as honorary directors.

To be three auditors.

25. And we do further declare, that there shall be three auditors of the accounts of the company, and that the business of the present and future auditors for the time being shall be to inspect and examine, and check the receipts, papers and vouchers of the company, and to sign an account, showing the summary and result thereof, up to and inclusive of the 30th day of September preceding each annual and general meeting, and to report the same at such annual general meeting of the proprietors, and that the same account shall set forth such special matters respecting the accounts of the company and its assets, as it may be proper to set forth therein, and that such auditors shall be independent of the directors, and shall have power to order such accounts to be made out, and in such mode as they shall require, so as to show the state and scope of the business and affairs of the said company.

Qualification of auditors.

25. And we do further declare, that no person shall be eligible to be an auditor, who shall have been a director during the whole or any part of the year preceding the appointment of auditor, or who shall not be possessed, on the day of his election, of 20 shares at least, or of such other greater or less number of shares at the least in the capital of the company, as shall be from time to time determined by any bye-laws of the company to be a necessary qualification for the office of auditor.

Present auditors. Rotation.

26. And we do further declare, that the persons next hereinafter named, that is to say, shall be the first and present auditors of the company under these presents, and that they shall continue in office until the several

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times hereinafter mentioned; that is to say, that at the annual general meeting to be held on the third Wednesday in May in the year 1837, or within 14 days afterwards, one of the said auditors, to be determined by lot or agreement amongst themselves, shall go out of office, and at the like annual general meeting in the year 1838, one other of the said auditors, to be determined as aforesaid, amongst the first auditors remaining in office, shall go out of office, and at the like annual general meeting in the year 1839 the remaining one of the said three auditors shall go out of office, and that at each succeeding annual general meeting on the third Wednesday in May, or within 14 days afterwards in every year after the year 1839, the auditor for the time being, who shall have been an auditor for three years, or elected in the place of a person whose three years would have been then complete if he had continued an auditor, shall go out of office, and at the same general meeting at which such auditor shall in manner aforesaid go out of office, there shall be an election of a proprietor, qualified as aforesaid, to be an auditor for the three years then next ensuing, and that the auditor of any former year shall be eligible for any succeeding three years.

Auditors may resign; how they become disqualified.

27. And we do further declare, that any auditor for the time being may at any time resign his office on giving to the secretary for the time being 10 days' previous notice in writing of his intention; and that in case any auditor shall cease to hold such number of shares in the capital of the company as aforesaid, or as shall by any bye-laws thereof be made a requisite qualification for the office of auditor, he shall become disqualified to be and shall *ipso facto* cease to be an auditor; and that in case any auditor shall so resign or become disqualified as aforesaid, an election of another person to fill the office in the room of each auditor so dying, resigning, or becoming disqualified, shall (if the court of directors for the time being should think fit) take place at a special general meeting to be summoned for that purpose; provided, nevertheless, that until the disqualification of any auditor shall have been communicated to and recorded by a court of directors, every act and proceeding to which such disqualified auditor shall have been a party, shall be as binding and effectual in every respect as if no disqualification had taken place.

General annual meetings.

28. And we do further declare, that on the third Wednesday which will be in the month of May in the year 1835, or within 14 days afterwards, and on the same day or time in every succeeding year, a general meeting of the proprietors of the said company shall be called by the directors for the time being, by advertisement, to be inserted in the London Gazette at least 14 days and not more than 21 days previous to such meeting, and at least once in each of two daily newspapers, one being a morning and one an evening paper, printed and circulated in London or Westminster, at least 14 days, and not more than 21 days, before such meeting; and that at such meetings, elections to supply the vacancies in the number of directors and auditors shall take place, and accounts of the business, property and effects of the said company shall be produced, and a general statement of the affairs of the company, and of the assets, debts, and credits thereof, shall be laid before the proprietors, and all other matters shall be transacted which may be necessary or the occasion may require; and that at every such general meeting of the proprietors there shall be presented an account and statement, to be made up to and including the 30th day of September preceding, of the amount of the property and assets of the said company, and of all the then existing debts, claims, contracts, engagements, and liabilities of the company, and that such statement and account, when passed at a general meeting, shall be deemed and be taken to be accurate and correct, and shall, notwithstanding the subsequent discovery of any error or errors therein, be binding and conclusive on all persons whomsoever claiming any benefit under these presents.

Special general meetings.

29. And we further declare that a special general meeting of the proprietors of the company may be called at any time by the directors for the time being, or any four of them, if they should see occasion, and that a special general meeting shall be called by the directors for the time being, on a requisition in writing, signed by 12 or more proprietors, who shall each be the holder of 10 or more shares; provided that in every such case notice of such meeting, and if summoned upon requisition, then also the requisition for the same be signified by circular letter, copy whereof to be addressed to each proprietor at his place of address, as standing in the books of the society, and to be put into the post, not less than 14 nor more than 21 days before such meeting, or (at the option of the court of directors) by advertisement, to be inserted by the said directors in the London Gazette, not less than 14 nor more than 21 days previous to such meeting, and at least once in each of two daily newspapers (one being a morning and one an evening newspaper) printed and circulated in London or Westminster, at least 14 days and not more than 21 days, before such meeting, and within 14 days after the same requisition shall have been presented to the directors for the time being, or their secretary; and that such requisition and notice, whether the same be signified by such circular letter as aforesaid, or by advertisement, shall state specifically the subject intended to be brought before such meeting.

Chairman at general meetings.

30. And we do further declare, that a chairman shall from time to time be elected by the directors for the time being from amongst themselves under such regulations as they may deem proper, to preside at each meeting of the proprietors; and in case at any such meeting no chairman shall have been so appointed for such occasion, then it shall be lawful for the members of the said company, or the major part of them, to appoint a person to preside at such meeting; and that the resolutions, determined by a majority of votes of the persons present and entitled to vote at such meetings respectively, exclusive of the chairman, shall bind the meetings, such majority to be determined by a show of hands, or by ballot, or in such other manner as shall from time to time be provided by any bye-law of the company, or subject thereto, or in default thereof, by any regulation of the directors

Majority of votes.

directors of the said company, or (subject to every such bye-law and regulation or in default thereof) as shall be determined by the chairman presiding at such meeting, and that the decision of such majority of votes shall be considered as the decision of such meeting, and shall be carried into effect accordingly, (unless in those instances in which the concurrence of some definite number or proportion of the persons present, or of the votes they may be entitled to give, shall hereby, or by the bye-laws of the said company be required to give to such resolution,) and that in case of an equality of votes the chairman for the time being shall have a casting vote.

Meetings may adjourn.

31. And we do further declare, that any adjournment may be made from day to day of any meeting of the proprietors, and that in case of such adjournment no business shall be transacted at any such adjourned meeting other than and except such business as might have been transacted at the original meeting at which such adjournment shall have taken place.

Qualification and scale of votes.

32. And we do further declare, that at every such meeting each proprietor for the time being of the company who shall be the holder of 10 shares in the capital of the company, shall be entitled to one vote; each proprietor who shall be the holder of 25 shares in the capital of the company, to two votes; each proprietor who shall be the holder of 50 shares in the capital of the company, to three votes; each proprietor who shall be the holder of 100 shares in the capital of the company, to four votes; and each proprietor of more than 100 shares, to one additional vote for every 25 shares over and above the number of 100, of which he shall be the holder.

Vote when share vested in more than one.

33. And we do further declare, that in case any share or shares shall have devolved to or become vested in, or shall hereafter be transferred or devolve to or become vested in, more than one person, any one of such persons, if he be the only one of them present, and if more than one be present, then the person whose name shall stand first in the books of the said company in respect of such share or shares, shall be entitled to vote in respect of such share or shares, and that no legatee or legatees, next of kin, or cestui or cestuique trust, shall be entitled to vote, or do any act or acts in respect of any share or shares to which he, she or they may be entitled in that character until such share or shares shall have been regularly transferred into his, her, or their name in manner hereinbefore mentioned; and that in the meantime the executor, administrator, trustee, or if there be more than one, then the person whose name shall stand first in the books of the said company in respect of such share or shares, shall be the person to vote and do all other acts in respect of such share or shares, and shall be taken and deemed by the said company to be the proprietor thereof.

No vote by proxy

34. And we do further declare, that no shareholder shall in any case vote by proxy: provided always, that any body or bodies, politic or corporate, may vote at such meeting by deputation under their common seal.

Powers of general meetings.

35. And we do further declare, that at all general meetings the proprietors entitled to vote shall have power, by the majority of the votes of those present, to call for, inspect, and examine these presents, or any exemplification thereof, and all rules, regulations, accounts, books, vouchers, memorandums, and documents relating thereto, or to the business thereof, and to call for any information or explanation from the directors, auditors, officers, and clerks of the company in respect of the said matters, or any of them, and that any general or special meeting of the proprietors shall, by their vote and resolution, have full power to give and allow to the directors and auditors for the time being collectively, or to each or any of them individually, such remuneration, salary, or allowance for his or their time or trouble in attending or conducting the business of the company, and over and above or in addition to or without reference to the provision hereinbefore made for such remuneration, or by such meeting shall be deemed fit, and be decided by the majority of the votes of the proprietors present and entitled to vote and voting at such meeting, and also to allow and confirm the accounts of the company, so as to bind all the proprietors for the time being, and all persons claiming under them, and generally to consider and decide upon any business relating to the government and affairs of the said company.

Power to make bye-laws.

36. And we do hereby further, for us, our heirs and successors, give full power to all and every the members of the said company qualified to vote as aforesaid, in a general or special meeting duly assembled, by the majority of the votes of those present and entitled to vote, to make and constitute any bye-laws, rules, and regulations for and relating to the government and affairs of the said company, so that such bye-laws, rules, and regulations be not repugnant to the laws and statutes of this our realm, nor to any of the provisions herein contained; provided always, that such bye-laws, rules, and regulations be duly recorded in some public book or books to be kept in the office of the said company, so that the same may be at all reasonable times accessible to the members and officers of the said company.

Dividend.

37. And we do hereby further declare, that the said company may, in any general or special meeting from time to time, when they judge their affairs will admit thereof, be at liberty to cause such a sum (if any) as shall be fixed by the directors for the time being to be divided and distributed amongst the members of the said company, according and in proportion to their respective shares in the capital or joint stock thereof.

Mode of conducting elections.

38. And we do further declare, that the election of directors and auditors respectively shall be decided by a show of hands or by ballot, or in such other manner and under such regulations as shall from time to time be provided by any bye-law of the said corporation, or (subject thereto or in default thereof) by any regulation of the directors.

Power to increase the capital.

39. And we do further declare, that in case the sum already subscribed should be found insufficient, in the opinion of the court of directors of the said company, to carry into full effect

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effect the beneficial purposes aforesaid, then and in such case it shall be lawful for the court of directors for the time being, and they are hereby empowered and authorized, in their discretion, with the concurrence of the proprietors present at two successive meetings, to be convened for that purpose, and with an interval of one calendar month at least, to increase the capital or joint stock of the company from time to time, to any extent not exceeding the additional sum of 125,000 *l.*, either by issuing additional shares, in such manner, and on and subject to such terms, stipulations, conditions and regulations as the directors for the time being, with such concurrence as aforesaid, shall deem expedient; and that the proprietors for the time being, or such of them as shall so elect, and shall express such election by some memorandum in writing, signed by them at either of such meetings, shall have a preference in taking or becoming the proprietors of such additional shares as may be issued rateably and in the proportions in which, as between themselves and the other proprietors, they shall then be proprietors; and that all and every the person and persons subscribing for one or more of such shares, shall, at the call of the court of directors, pay a sum not exceeding 5 *l.* on each share; and that the said persons shall pay the residue of their subscriptions by instalments from time to time, at the call of a court of directors, in each of the said cases, to be signified by not less than 30 days' notice, under the hand of the secretary for the time being, in the London Gazette, and in two daily newspapers, one being a morning and the other an evening paper; provided that such call do not at any one time exceed the sum of 5 *l.* upon and for each and every share, and so as there be an interval of three calendar months between any such call and the next call to be made by virtue of these presents; and that all and every the person and persons subscribing for one or more of such shares shall be a proprietor and proprietors of and in the capital of the said company, and shall have a like vote in respect of his, her, or their shares in the said additional sum so to be raised, and be liable to such obligations and forfeitures, and stand interested in all the profits and advantages of the said company, in proportion to the sum he or they shall subscribe to the said capital so extended, to all intents and purposes as if such further or other sum hereby allowed to be subscribed for or raised had been originally part of the capital of the said company, anything hereinbefore contained to the contrary notwithstanding.

40. And we do hereby give and grant to the said company and their successors, until the formation and meeting of such legislative assembly as hereinafter mentioned and directed to be formed, free and absolute power and authority from time to time, if and whensoever they shall think fit, by any instrument in writing under their common seal, to make, ordain, and establish laws, institutions, and ordinances, and to constitute courts and officers, for the welfare, order, peace, and good government of the said province, and of our subjects and others within the same, and the same laws, institutions, and ordinances, courts and officers, from time to time to revoke, alter, remove, and make void or add to, and to make, ordain, establish, and constitute others in like manner in their place and stead, as may from time to time be necessary, or the said company or their successors may think fit; and by any the like instrument in writing under the common seal of the said company, and subject to such conditions and restrictions as to them may seem meet, from time to time to delegate to any person or persons whomsoever to be thereby appointed, the power and authority aforesaid, and to revoke and renew such delegation and appointment at pleasure; provided that such laws, institutions, and ordinances be not repugnant to the laws of England, nor to anything herein contained.

Powers to the company to raise a militia.

41. And we do hereby further declare, that it shall be lawful for the said company and their successors (if they shall think fit) to raise a militia for the defence and protection of the said province, to consist of the whole or any part of the male adult inhabitants of the said province, under such regulations and to be commanded by such officers, and in such manner, as the said company or their successors shall think fit.

The Crown not to tax the colony.

42. And we do hereby further declare and grant, for us, our heirs and successors, that we, our heirs, and successors, shall at no time hereafter set or make, or cause to be set or made, any imposition, custom, or other taxation, rate, or contribution whatsoever, in or upon the dwellers in or inhabitants of the aforesaid province, for their lands, tenements, goods, or chattels, within the said province, or for or upon any goods or merchandize within the said province, or to be laden or unladen within the ports or harbours of the said province; and we do hereby grant unto all and every person and persons inhabiting or dwelling, or who shall inhabit or dwell within the said province, free licence to trade in any goods, merchandize, or commodities whatsoever, to or from our United Kingdom of Great Britain and Ireland, or to or from any other of our dominions, or to or from any foreign country or dominion being in amity with us, our heirs, and successors.

Free trade to the inhabitants.

Denization of all the inhabitants.

43. And we do hereby further declare, that the said province shall be of our allegiance, and that all and every the persons which shall happen to be born within the said province, and their children and posterity, shall have and enjoy all the liberties, franchises and immunities of natural-born subjects within any of our dominions, to all intents and purposes as if they had been born within this our realm of Great Britain or any other of our dominions.

44. And we do hereby further declare, that as soon as the population of the said province shall be ascertained, by a census to be taken annually for that purpose, under the direction and authority of the said company, or of us, our heirs, and successors, to amount to the number of 50,000 souls, the male adult inhabitants of the said province, who shall have been domiciled therein during the term of not less than one year then next previous, shall be summoned by or under the authority of the said company, upon such notice, and at such time and place as to the said company shall seem fit; and at such meeting, or any adjournment thereof to be made by or under the authority of the said company, a legislative assembly,

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to consist of not less than 40 nor more than 80 persons, qualified by being proprietors of land within the said province, shall be chosen by the votes of the majority of the male adult inhabitants of the said province present at such meeting, and who shall have been domiciled therein during the term of not less than one year then next previous, such election to be made and such majority to be ascertained in such manner, and from and under such regulations as to the said company shall seem fit, provided that each person entitled to vote and voting at such meeting, shall have one vote in the election of each member of the said legislative assembly; and such assembly shall have power to frame a constitution for the government of the said province, and to make, constitute, ordain, enact, and establish all such laws, statutes, institutions, and ordinances, and to constitute such courts and officers as may be necessary, or as such legislative assembly may think meet for the welfare, peace, order and good government of the said province; and that the whole legislative authority of the said province shall from thenceforth be vested in the said legislative assembly so to be chosen, or in such person or persons, body or bodies, as such legislative assembly shall provide to exercise the same; and that the power hereinbefore given to the said company to make, ordain, and establish laws, institutions, and ordinances, and to constitute courts and officers for the welfare, peace, order and good government of the said province, shall thereupon cease and determine.

Existing laws to be in force until repealed.

Provided always, that the laws, institutions and ordinances, and the courts and offices which shall for the time being be established, constituted, and in force at the time of the said legislative assembly being summoned as aforesaid, shall remain and continue and be in force within the said colony until the same shall be repealed, revoked, removed or altered, or others repugnant to, or inconsistent with them, be provided or established by, or under or by virtue of the authority of the said legislative assembly, or the person or persons, or body or bodies, in whom the legislative authority of the said province shall for the time being be vested; and provided also, that from and after the assembling of such legislative assembly, the governor or supreme magistrate of the said province shall be from time to time nominated and appointed by us, our heirs and successors, and shall hold his office during our or their pleasure.

The governor to be thenceforth appointed by the Crown.

Land to be sold at a certain rate only.

And we do hereby further grant and declare, that no land whatsoever within the said province, of which no grant or sale shall previously have been made, shall at any time hereafter be granted, sold or disposed of, except in the manner and upon the terms hereinafter provided: and we declare that all the land in the said province (except only such as shall be selected for purchase by the said company, in manner hereinafter provided, in exercise of the right of selection or pre-emption hereinafter reserved to them) shall from time to time be put up for sale by public auction (under such regulations, as to the time and place, and mode of conducting such sales, as the said company or their successors, until the meeting of the said legislative assembly, and afterwards as the supreme local government of the said colony for the time being shall from time to time provide), to be sold to the highest bidder; and that during the term of 18 calendar months from the date of these presents, all such land shall be put up for sale as aforesaid, at the price of 5*s.* per acre and not lower; and that during the term of one year then next ensuing, all such land shall be put up at the price of 7*s.* 6*d.* per acre, and not lower; and that from thenceforth all such land shall be put up for sale at such price or prices per acre, according to the quality thereof (not being less than 7*s.* 6*d.* per acre) as the said company or their successors, until the meeting of the said legislative assembly, and afterwards as the supreme local government of the said province shall from time to time fix and appoint, and not lower; and that no land within the limits of the said province, of which no grant or sale shall previously have been made (except as aforesaid), shall be sold at a lower rate or rates of price than the price or prices, at which the same is hereinbefore directed to be put up for sale: provided always, that whensoever any person shall be desirous to purchase any particular lot or lots, or parcel or parcels of land, the same shall (upon request in writing, to be duly made by him for that purpose, to such person or persons as the said company, or the supreme local government of the said province, shall in manner aforesaid direct or appoint) be put up for sale in manner aforesaid, within two calendar months from such request, and if no higher price shall be then offered than the price at which the same land shall be put up, the person so having required the same to be put up shall be and be deemed the purchaser thereof, at the price at which the same shall have been put up. And we do further grant and declare, that no land within the said province shall be reserved or appropriated by us, our heirs or successors, for any purpose whatsoever, but that if we or they shall have occasion to appropriate any such land, we and they shall purchase and pay for the same in like manner as any of our subjects will be compelled to do under the provisions hereinbefore contained.

45. And we do hereby declare, that the said company shall be entitled from time to time to select, in preference to any other person or persons, who shall not previously have purchased or duly required the same to be put up for sale in manner hereinbefore mentioned, any lot or lots, or tract or tracts of land within the said province, to the amount of 500,000 acres in the whole, which shall be paid for by the said company at the rate of 5*s.* per acre, by five equal instalments, of 25,000 *l.* each, to be paid or carried to the account of the emigration fund hereinafter mentioned, on or before the day of in each and every year during the term of five years, to be computed from the expiration of one whole year from the date of these presents.

Provided always, that the said company shall not be obliged to make their selection of the whole of the said 500,000 acres within the said five years, but shall be allowed an indefinite time from the date of these presents to make such selection: and provided also, that until

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the expiration of six calendar months next after the arrival at any part of the said province of the first ship or vessel which shall proceed thither under the authority of the said company, the said company shall have an absolute preference or right of pre-emption, in selecting the said 500,000 acres of land, or any part thereof, over any other person or persons, and that no person or persons shall, until the expiration of such three months, acquire or purchase any land within the said province, so as to divest the company of such their right of selection or pre-emption, but that the same may nevertheless be exercised within the period aforesaid, to the exclusion of such last-mentioned person or persons; provided also, that nothing herein contained shall prevent the said company from purchasing or acquiring any other land within the said province over and above or distinct from the said 500,000 acres, in the same manner as any individual may purchase or acquire the same; and provided also, and we do hereby declare, that it shall not be lawful for the said company to sell or dispose of the whole or any part of the land so to be purchased by them under the right of pre-emption hereinbefore reserved to them, at any lower rate or rates of price than the rate or rates which, under the regulations hereinbefore provided, shall for the time being be the limit or limits, below which no original sale or sales of land is or are to be made within the said province.

And we do further declare, that upon every original sale of land within the said province, there shall be reserved a perpetual land-tax of 6*d.* per acre, to be paid annually to the said company, or their successors, until 12 months after the meeting of the said legislative assembly as hereinbefore provided, and afterwards to be paid annually to the local government of the said province for the time being, and that if such land-tax, or any part thereof, shall be in arrear and unpaid for the space of three calendar months, after any of the days and times whereon the same shall be due and payable as herein provided, then it shall be lawful for the said company, or the local government of the said province for the time being, to levy the money so due, and all costs, charges, and expenses occasioned by the non-payment thereof, and attending the levying of the same by distress, upon the lands in respect of which such land-tax shall be due, or any part thereof, or otherwise to proceed against and recover the same monies, costs, charges, and expenses from the person or persons who ought to pay the same, their heirs, executors, or administrators, as a specialty debt.

And we do hereby declare, that the money which shall arise in respect of the said land-tax, from henceforth until the expiration of 12 months after the meeting of the said legislative assembly, shall (after deducting thereout the expenses of management) be applied in aid of the public expenses of the said province.

And we do hereby further declare, that all the money which shall henceforth, until the meeting of the legislative assembly hereinbefore provided to be summoned, arise from the original sales of land within the said province, including the price of the said 500,000 acres so to be paid for by the said company as aforesaid, shall form a fund, to be called The South Australian Emigration Fund, and which shall be vested in and placed under the management of the said company and their successors, and which fund we do hereby declare it shall be lawful for the said company to augment or maintain, by carrying thereto all such other monies as may be received by the said company, and as may be lawfully applicable to the purposes of the said fund; and we do hereby declare, that the whole of the said South Australian Emigration Fund, after deducting thereout the expenses attending the management thereof as hereinafter mentioned, shall be employed under the direction and authority of the said company, in conveying and transporting to the said province such poor persons as shall be selected by or under the direction of the said company, or their successors, from amongst the inhabitants or natives of or persons dwelling or abiding in any part of our United Kingdom of Great Britain and Ireland (such persons to be selected in such manner that the population of the said colony shall consist, as near as conveniently may be, of equal numbers of males and females), which persons shall be settled or located upon the land within the said province, or otherwise disposed of or provided for therein, in such manner as shall from time to time be provided by the laws, institutions, and ordinances of the said province, and the bye-laws and regulations of the said company.

And we do hereby further declare, that the said South Australian Emigration Fund shall bear and pay all the expenses attending the collection, management, and dispositions thereof, both in England and South Australia, including the expense of attending the sales of the land from which the same shall have arisen, and of all requisite surveys, and also the salaries and expenses of all clerks, surveyors, and other persons who may be employed in regard to keeping the accounts of the said fund, correspondence, providing shipping and accommodation for emigrants, and settling them upon their arrival in the province, or otherwise in relation to the collection, management, and disposition of the said fund; and that, in addition to all such charges and expenses, the sum of 2,000*l.* shall be annually deducted from the said fund, and allowed to the directors of the said company, as a compensation for the labour, time and trouble in managing the same; and that accounts of such charges and expenses, and of the sum deducted and allowed for management as aforesaid, shall be annually made out and delivered by the directors of the said company to our Principal Secretary of State for the time being, for the management of the colonies, or to such other person, and in such manner, as we, our heirs or successors, may from time to time order and direct; provided always, that in case the sum of 2,000*l.* hereinbefore directed to be deducted and allowed for compensation as aforesaid, shall in any one year amountto more than 5*l.* per cent. upon the aggregate amount of the emigration fund for that year, then a sum equal to 5*l.* per cent., and no more, upon such emigration fund, shall be deducted and allowed in lieu thereof.

And we do hereby further declare, that it shall and may be lawful to and for the said company to advance and lend money to any person or persons dwelling or inhabiting within the said province, for the purpose of enabling him or them to settle upon, or cultivate and improve the lands thereof, and to take and accept from such person or persons respectively such security for the repayment of principal money so to be advanced, and with such interest thereon as the said company or their successors shall think fit, and such person or persons may be willing to pay.

The company may lend money to settlers.

And we do hereby further declare, that all the expenses to be incurred in establishing and maintaining the public welfare, peace, order, and good government of the said province shall (until the expiration of 12 months after the meeting of a legislative assembly for the government thereof, as hereinbefore provided) be defrayed in the first place with and out of the monies to be annually raised in respect of the land-tax hereinbefore provided to be levied within the said province; and if the same shall be found insufficient for such purposes, the deficiency shall be advanced by the said company by way of loan, to be repaid, with interest, as hereinafter mentioned: provided always, that until the population of the said province shall amount to 5,000 souls, the money so to be advanced by the said company in any one year shall not exceed, together with the said amount of the land-tax for that year, the sum of 5,000 *l.*; and that after the population of the said province shall exceed 5,000 souls, the money to be advanced by the said company in any one year shall not exceed, together with the amount of the said land-tax for the current year, the said sum of 5,000 *l.*, together with an additional 1,000 *l.* for every additional 1,000 souls of which the population of the said province shall for the time being consist over and above the said number of 5,000 souls, and shall not in any one year, together with the said land-tax for such year, exceed the sum of 10,000 *l.*: and provided also, that the said company shall not be liable to advance a larger sum in the whole for the purposes aforesaid than 50,000 *l.*: provided always, that it shall be lawful for the said company, if they shall think fit, to advance, by way of loan, for the purposes aforesaid, any further sum or sums over and above the annual or total amount which they are hereinbefore made liable to advance, and that such last-mentioned sum or sums, with interest, shall be repaid to them in like manner and as hereinafter provided.

And we do hereby further declare, that interest, at the rate of 5 *l.* per cent. per annum, shall be paid to the said company and their successors for all the monies so to be advanced by them by way of loan as aforesaid, such interest to be computed from the respective times of such advances being made, and to be paid either out of the monies to be raised in respect of the said land-tax, or out of some further advance or advances to be made by the said company in the manner and within the limits aforesaid: and further, that the legislative assembly to be summoned as hereinbefore provided, shall be bound in the first place to make proper and sufficient provision for the payment to the said company, out of the revenues of the said province, of the monies which they shall have advanced by way of loan for the purposes aforesaid, with such interest as aforesaid.

Legislative Assembly to provide for the repayment of the company's loans.

And we do hereby declare, that if, by the means aforesaid or otherwise, the said company or their successors shall not, within 10 years from the meeting of the said legislative assembly, be repaid all the monies which they shall have so advanced by way of loan as aforesaid, with such interest as aforesaid, then it shall be lawful for the said company from time to time, and at any time or times thereafter, to select from within the limits of the said province so much land as at the rate of 5 *s.* per acre shall be equal in value in the whole to the amount of the principal and interest monies which at the end of the said 10 years shall remain unpaid.

And we do hereby further declare and ordain, that if at the expiration of four years from the date of these presents, the population of the said province shall be ascertained, by a census to be taken for that purpose, by and under the direction of us, our heirs and successors, or of the said company, to amount to a less number than 2,000 souls, or if such population, having been ascertained as aforesaid to amount at the expiration of such four years to not less than 2,000 souls, shall nevertheless be ascertained in like manner, at the end of the further term of two years, to be less than such 2,000 souls, or if, at the expiration of nine years from the date of these presents, the population of the said province shall be ascertained in manner aforesaid to be less than 5,000 souls, or if such population, having been ascertained as aforesaid to amount, at the end of such nine years, to not less than 5,000 souls, the same shall nevertheless be ascertained in like manner, at the end of the further term of two years, to be less than such 5,000 souls, then and in that case these presents, and all the powers and provisions herein contained, so far as they relate to or concern the erection of the territory aforesaid into a distinct province, and the government and regulation thereof, shall cease, and determine, and be absolutely void to all intents and purposes; but so nevertheless that in all other respects, and particularly so far as regards the said company and the constitution, regulation and management, powers, privileges and authorities thereof, these presents shall in all other respects remain in full force and virtue.

And we do, for us, our heirs and successors, grant and declare that these our letters-patent, or the enrolment thereof, shall be and by all things valid and effectual in the law, according to the true intent and meaning of the same, and shall be taken, construed and adjudged, in the most favourable and beneficial sense, for the best advantage of the inhabitants of and dwellers in the said province of South Australia and the said corporation, as well in our courts of record as elsewhere, notwithstanding any non-recital, defect, uncertainty, or imperfection in these our letters-patent; and our will and pleasure is, that these presents to the province and company aforesaid under the seal of England shall be in due manner made

No. 2.
R. Torrens, Esq. to Lord Goderich, 9 July 1832.

and sealed, without fine or fee, great or small, to us in our hanaper or elsewhere to our use therefore, or any ways to be rendered, paid or made.

And we do hereby, for us our heirs and successors, covenant, grant and agree to and with the inhabitants of and dwellers in the said province; and also with the said company and their successors, that we our heirs and successors shall and will from time to time, and at all times hereafter, upon the humble suit of the present or future dwellers in and inhabitants of the said province, or of the said company, or their successors, give and grant unto them all such further and other powers, privileges, matters and things which we or they can or may lawfully grant or receive, and as shall be reasonably advised and devised by their respective counsel learned in the law for the time being, and shall be approved by our Attorney or Solicitor-general on our behalf. In witness whereof we have caused our letters to be made patent. Witness ourself at Westminster the day of in the year of our reign.

—No. 3.—

COPY of a LETTER from *R. W. Hay*, Esq. to *R. Torrens*, Esq.

No. 3.
R. W. Hay, Esq. to R. Torrens, Esq. 17 July 1832.

Sir, Downing-street, 17 July 1832.

I AM directed by Viscount Goderich to acknowledge the receipt of your letter, dated the 9th instant, enclosing the draft of a charter for the incorporation of the South Australian Land Company, and to acquaint you, for the information of the gentlemen constituting the provisional committee, that his Lordship has bestowed the most careful attention upon the various provisions of the instrument.

As the transmission of the proposed charter affords the first occasion which had presented itself during the discussions on this subject, for taking a clear and comprehensive view of the plan of the company in all its bearings, Lord Goderich has entered upon the inquiry with a full conviction that nothing which has hitherto occurred can be supposed by the parties more immediately concerned to preclude his Majesty's Government from the exercise of their free and unfettered discretion on the general principles and the particular details of the scheme.

Whatever deliberations may have intervened between the original suggestion of the measure and the delivery at this office of the draft of the charter, they have all taken place upon the assumption that the proposal, when drawn out into its ultimate form, would be found compatible with those fundamental principles to which it is the duty of the King's Government to adhere in every grant which they may advise his Majesty to pass under the Great Seal; and it is of course obvious, that the condition must at all times have been distinctly understood.

On examining the draft which you have transmitted, Lord Goderich finds that in many important particulars it goes far beyond the proposition as he originally understood it to have been conceived; that it would virtually transfer to this company the sovereignty of a vast unexplored territory, equal in extent to one of the most considerable kingdoms in Europe; that it would encroach upon the limits of the existing colonies of New South Wales and Western Australia; that it is proposed to throw open the settlement to foreigners, as well as to British subjects, in such a manner as at once to place them upon a complete equality; that the objects of the corporation are defined with such latitude of expression as to exclude no conceivable employment of their capital; that the actual investment of that capital, or any part of it, is not necessarily to precede the issuing of the charter; that the charter would invest the company with the power of legislation, and would even enable them to delegate to others the exercise of that trust, without taking the very least security against the possible abuse of so high an authority; that the company would enjoy the right of erecting courts, and of appointing and removing judges and other officers; that they claim the power of raising and commanding the militia; that they would exclude the King from the exercise of that power of imposing duties of customs which Parliament has entrusted to him, throughout the eastern colonies; that a freedom of trade is claimed, to which the Navigation and Trade Acts, as they now stand, are opposed; that all the powers of the company, extensive as they are, and involving in their practical effects the sovereign dominion of the whole territory, are ultimately to be transferred to a popular assembly, which would be to erect within the British monarchy a government purely republican; and that the company would be the receivers of large sums of public money, for the due application of which they do not propose to give any specific security.

Other objections might be stated to the plan proposed in this draft; but, for the present, Lord Goderich forbears to enter upon any discussion of them. His Lordship deems it sufficient to have pointed out those to which I have already referred, and directs me to say, that if the various departments of Government which must be consulted should concur in a scheme that involves such extensive consequences, as would follow from the adoption of that which is proposed, they could not legally carry it into effect without the express sanction of Parliament. But his Majesty's Government could not recommend to Parliament a measure so entirely subversive, in one part of his Majesty's dominions, of those Royal prerogatives which, for the common benefit of all his subjects, it is his Majesty's duty to maintain.

I am, &c.

(signed) *R. W. Hay.*

—No. 4.—

COPY of a LETTER from *R. Torrens*, Esq. to Lord *Goderich*.

No. 4.
R. Torrens, Esq.
to Lord Goderich,
19 July 1832.

South Australian Land Company's Office,
8, Regent-street, 19 July 1832.

My Lord,

I HAVE the honour to acknowledge the receipt of Mr. Hay's letter of the 17th instant, in which your Lordship is pleased to communicate some observations on the draft of a charter for colonizing a portion of South Australia, submitted to your Lordship by my letter of the 9th instant.

I am requested, in reply, to express to your Lordship the acknowledgments of the provisional committee for the attentive consideration which your Lordship has been pleased to give to the charter as proposed by the committee; and, at the same time, to explain that that paper was laid before your Lordship, not as a claim upon his Majesty's Government, as your Lordship appears to apprehend, but as the most convenient form in which the various branches of the subject could be proposed for consideration and discussion, and in framing the clauses of the charter it was intended that your Lordship's sentiments on the question, as more particularly understood by the deputation which had the honour to attend your Lordship on the 25th ultimo, should be embodied.

In this last respect, the committee regret to find that they have laboured under some misapprehension, and that in the extension which they have given to the powers of the proposed company, they have extended their views beyond the limits which would be approved by your Lordship, and which constitutes your Lordship's first objection to the charter as drawn.

In reply to this objection, and in anticipation of other parts of Mr. Hay's letter, the committee submit, generally, that they are willing and desirous to modify the charter in such manner as your Lordship may deem expedient and proper; reserving only the principles of submitting all grants of land to a sale, the application of the proceeds of sale to the furtherance of emigration, and the eventual privilege of a legislative assembly.

On the first and second of these points, namely, the sale of the land and the application of the proceeds of sale, the committee is unapprized of any objection on the part of your Lordship; and, on the contrary, presume upon your Lordship's concurrence and approbation. On the third and last point, the eventual institution of a legislative assembly, the committee has presumed, from the tenor of your Lordship's repeated conversations, that your Lordship fully approved the principle of eventually admitting the colony to that privilege, resting the difficulty upon the term or criterion only at or by which the calling of the assembly should be determined.

Your Lordship next observes, that the charter would eventually transfer to the proposed company the sovereignty of a vast unexplored territory. The committee submit, in reply, that this amplitude has been given to the language of the draft under the conception that your Lordship did not wish to connect his Majesty's Government in any manner with the execution of the project in its earlier stages, nor until the colony should be mature for a legislative assembly.

The proposal for the powers to be granted to the company has arisen entirely out of the presumed necessity of the case, and not from a desire to raise up such an authority; and in order to meet that case of supposed necessity, and only for that purpose, the committee now presume that the society of the proposed colony should be under the management and direction of the company until the population should amount to
souls, and no longer; and that when the population shall amount to that number, the governor and judges of the supreme court shall be appointed by his Majesty's Government, the other officers to be appointed by the company until the population shall have attained
souls, after which the plan for the government of the colony to be settled by his Majesty in council; regard being had to the eventual constitution of a legislative assembly, which might be made contingent further upon the previous institution of a legislative assembly in one other of the colonies of Australia; or, should these suggestions not meet the case to the satisfaction of your Lordship, the committee would respectfully request of your Lordship to suggest such a plan as your Lordship might approve for the management of the settlement.

Your Lordship next observes, that the proposed colony "would encroach upon the limits of the existing colonies of New South Wales and Western Australia." In reply to this objection, the committee submit to your Lordship, that the right of defining the boundaries of the above-mentioned colonies being vested in his Majesty, it is competent to him to alter or vary them at his pleasure; and that the territory over which the jurisdiction of the new colony is proposed to extend, being in point of fact unoccupied, and not likely for a long period of time to become practically subject to the authority of the governments of either of the present colonies, there can be no reasonable ground of objection to its being

No. 4.
R. Torrens, Esq.
to Lord Goderich,
19 July 1832.

being withdrawn from their jurisdiction, if it should appear to be already comprehended, either wholly or in part within them.

With regard to the introduction of foreigners, which is the subject of the observation of your Lordship, next in order, the committee conceive that many advantages might arise from the encouragement of the cultivation of the vine, the olive, and other branches of industry, under the sanction of the clause proposed for that and other purposes connected with the supply of foreign labourers; but upon this point the committee submit themselves entirely to your Lordship's judgment, remarking only, that the sales of land must be promoted by this privilege, and that the produce of the sale of all land within the proposed colony would be applicable exclusively to the conveyance of British settlers.

Your Lordship then remarks upon the latitude of expression used in the draft, as regards the objects of the proposed company, in the employment of its capital, and that the actual investment of the capital, or any part of it, is not necessarily to precede the issuing of the charter. On the first of these points the committee is not aware of any advantage to be obtained, or any evil to be prevented, by any limitation of the powers of the proposed company in the employment of its capital; but any limitation that to your Lordship might appear to be desirable or proper, in this respect, the committee can have no difficulty in anticipating their readiness to adopt. On the second of these points, it is not asked of your Lordship that the grant of the charter should be made until a portion of the capital shall have been raised, although it is essential to the object of getting the capital subscribed, that the committee should be at liberty to state on a prospectus that his Majesty's Government would grant a charter on terms to be generally stated; and then, with regard to the actual investment of the capital in the objects of the promoters of the plan, the committee submit that the continuance of the charter being made contingent on the success of the undertaking, the most effectual security is afforded for the due application of the capital.

The proposal to appoint a militia which, excepting the points previously noticed, is the next subject of remark by your Lordship, appears to the committee to be necessary to the protection of the settlers; but upon this point also the committee submit themselves to the consideration and pleasure of your Lordship.

With regard to the freedom of trade, the committee is informed that a dispensation from duties of customs has been granted in behalf of the colony of Western Australia, for the term of 15 years,—a modification of the provision of the charter, in that respect, which would be satisfactory to the committee; the freedom of trade to be further restricted by the Navigation and Trade Acts.

The receipt, by the company, of the land-tax, and of the produce of the sale of land, was, in like manner with several other of the proposed provisions, understood to be in conformity with your Lordship's sentiments; but any modification of the draft of the charter which your Lordship might prefer in this respect, the committee cannot doubt would either at once be acceptable to them, or that they would be rendered so upon the explanation which the subject might require.

Such other objections as may occur to your Lordship, the committee would be happy to have an opportunity of considering, feeling assured that they should be able to remove the difficulties which your Lordship might suggest.

I am particularly requested by the committee to repeat, in conclusion, that the draft of the charter was prepared and laid before your Lordship, under the persuasion that that was the form in which the subject would be presented to your Lordship in the clearest and most defined terms, and under the best arrangement; and that the committee learn with pleasure that your Lordship approves of their adoption of that course of proceeding; and to add, that having fully considered your Lordship's observations, they do not anticipate any difficulties or difference of sentiment, but such as must readily yield to the opportunities afforded by your Lordship of understanding the manner in which the details of the question present themselves to your Lordship's reflection.

I have, &c.

(signed) *Robert Torrens.*

— No. 5. —

COPY of a LETTER from *R. W. Hay*, Esq. to *R. Torrens*, Esq.

No. 5.
R. W. Hay, Esq. to R. Torrens, Esq., 6 August 1832.

Sir, Downing-street, 6 August 1832.

I AM directed by Viscount Goderich to acknowledge the receipt of your letter of the 19th ultimo, in explanation of the views which are at present entertained by the provisional committee of the projected South Australian Land Company respecting the settlement of a new colony on the southern shores of New Holland.

Lord Goderich always thought, and indeed originally pointed out, that the course which was ultimately adopted of exhibiting the views of the projectors of this scheme in full detail in the form of a charter of incorporation would be the most convenient which could be pursued.

It has not only placed him in full possession of every part of the design, but probably has had the effect of drawing the attention of the members of the committee much more closely to the subject in all its details than might otherwise have been practicable. With every sentiment of due respect towards them, his Lordship cannot but be deeply impressed with the conviction that their own opinions must be unsettled, and that the grounds of the whole measure must have been very imperfectly explored. In my letter of the 17th ultimo, I scarcely advanced beyond a recapitulation of a few of the more prominent provisions of the intended charter, adding little either in the form of new information, or of argument, to justify the objections entertained to them. Lord Goderich is not indeed surprised that the force of those objections should be immediately felt and admitted; but the very readiness with which the objectionable parts have been abandoned, contrasted with their prominent appearance in the plan as fundamental principles, unavoidably induces in the mind of the Secretary of State a serious misgiving as to the maturity of their knowledge and counsels on the very important subject which they have submitted to his consideration.

Lord Goderich does not deem it convenient or compatible with his duty to originate any scheme in substitution for that which must now be considered as virtually abandoned, for it does not appear to his Lordship that the views entertained by the proposed company are so precise and determinate as to lead him to apprehend that any advantage will arise from continuing the correspondence on this subject, which has for some time been going on.

I am, &c.
(signed) *R. W. Hay.*

— No. 6. —

COPY of a LETTER from *W. W. Whitmore*, Esq. M.P. to the Right Honourable *E. G. Stanley*.

No. 6.
W. W. Whitmore, Esq. M.P. to Right Hon. E. G. Stanley, 6 July 1833.

Dorset-street, Manchester-square,
My dear Sir, 6 July 1833.

I ENCLOSE you a project for founding a new colony on the southern shore of Australia, which, should it meet with the approbation of his Majesty's Ministers, would, as I am informed, be likely to be carried into effect by the capital required being raised in this country. I shall feel very much obliged by your informing me, as soon as you can conveniently, how far the scheme meets with your approbation.

I am, &c.
(signed) *W. W. Whitmore.*

NEW COLONY in *South Australia.*

THE object proposed is to found a colony on the southern coast of Australia, by means of the purchase of waste land from the Government by a joint stock company and by private individuals.

This principle of the sale of land has been adopted for the purpose of procuring the means of conveying to the colony the unemployed population of the United Kingdom, as well as with a view of preventing those evils which in other colonies have resulted from the dispersion of the colonists; while the mode of applying the money arising therefrom will supply that want of labour which is the chief impediment to the progress of new countries.

In order to obviate the objection which might arise from the apprehension of expense being occasioned to the Home Government, it is proposed that the cost of the formation and government of the colony should be advanced by the company as hereinafter mentioned.

The following is a statement of the principles upon which it is deemed expedient that the colony should be founded, and with a view to maintain them inviolate for a certain period of time, it is proposed that they should be embodied in a charter to be granted to the colony by the Crown.

1. The territory of the colony to be defined, and to extend over a space sufficiently large to prevent any alteration in the value of land by the adoption of any other system of disposing of land in its vicinity.

The extent of land which it is thought desirable to fix as the territory of the colony, is that lying between the 130th and 140th degrees of west longitude, both inclusive, on the southern coast of Australia, including the islands on that line of coast. The object of such

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an extent of territory being required is, as above stated, the prevention of any other system of disposing of waste land in the vicinity being adopted, for, if land should ever again be given away (as heretofore in the colonies) in the neighbourhood of the estates of the company and of individuals, the value of these would fall, and the supply of labour would be rendered unequal to the cultivation of the appropriated land.

2. The sale of all land in the colony at or above a fixed minimum price.

This regulation will ensure the concentration of the settlers in proportion to the price at which the land is sold, and being adopted by his Majesty's Government in relation to the colonies already established in Australia, needs here no comment.

3. The employment of the proceeds of such sales in the conveyance to the colony of young pauper labourers of both sexes in equal numbers.

The selection of the emigrants to be made by the directors of the company, so long as the company shall continue to advance money to defray the expenses of the government of the colony, careful regard being had to the age of the emigrants, who generally should not exceed years.

4. The minimum price of Government land to be advanced from time to time as the circumstances of the colony may admit.

It is proposed that the first minimum price should be 5*s.* per acre; the necessity of such a regulation as this is therefore apparent. Five shillings an acre will give 100*l.* as the price of 400 acres; this sum would convey to the colony six persons, three men and three women; the labour of three men is however obviously insufficient for the cultivation of 400 acres of land, and the advantages which are expected to arise from this plan cannot be realized in any great degree until the price shall be so raised as that the purchase-money of the 400 acres shall suffice for the passage of as many labourers as are required to cultivate it effectively. The precise sum which it would be expedient to demand as the minimum price of land, must be left to experience to determine, but as artificers of various kinds must be provided for the colony as well as mere farm labourers, it is evident that a considerable increase in the minimum price would be desirable.

The reasons for the low price fixed upon as the minimum price at first are, the fact of that being the price of land in the other Australian colonies, and the necessity of offering some premium to the persons who undergo the hardships and incur the risks of the first settlement, and to give to the company a sufficient inducement to undertake the expense of founding the colony.

5. A land-tax, or a tax upon rent, to be levied from the commencement of the colony, for the purpose of raising a fund in aid of the expenses of the colony.

In those colonies, the population of which is scattered over a vast extent of territory, in proportion to the people, and in which the regulations attending the disposal of waste land have not been found difficult to collect a land-tax or quit-rent; but as, in the proposed colony, the population will be more condensed than in the other Australian colonies, it is presumed the difficulty and expense of collection will not be an insurmountable barrier to the imposition of this tax, while the advantages of direct taxation appear to be such as to justify the trial.

It appears necessary that a charter, embodying the following provisions, should also be granted to the company, together with the usual clauses limiting the responsibility of shareholders, &c.

6. The company to have the pre-emption of 1,000,000 of acres, to be selected within a given time, at the first minimum price.

The inducement to the company to found the colony is this right of pre-emption at the first minimum price. Having the first choice of land they will be enabled to select that upon which the seat of government will be placed, and that which will form the sites of the principal towns, as well as any spots which, either from locality or fertility, may possess a peculiar value.

The profit of the company will arise from the additional value which the increase of population and the growth of capital always confer upon land, and from the increase in the minimum price at which the Government land will be sold, while the price paid by the company for their land will be uniform at whatever period it may be taken up.

The operations of the company in selling land will be wholly distinct from those of the Government, and will be confined to their 1,000,000 acres.

On this land they will perform such works as they may deem expedient, with a view to attract population thereto and to increase its value, while the Government will sell in an entirely unimproved state the land not purchased by the company to any individuals who may be desirous of purchasing it.

7. The company to advance from time to time, as may be required for the government of the colony, such advances, not to exceed 5,000*l.* for the first three years, and 7,500*l.* for any subsequent year, and not amounting in all to more than 100,000*l.*, the whole to be considered a colonial debt, to be repaid at such times and in such amounts as may be agreed upon, and, in default of such repayment, the company to be entitled to the further choice of land at the minimum price of 5*s.* per acre, to an extent equal in value to the amount of such default.

No. 6.
W. W. Whitmore, Esq. M. P. to Right Hon. E. G. Stanley 6 July 1833.

It is proposed that the subscribed capital of the company shall be 500,000*l.*, to be divided into shares of 50*l.* each, one-half of the subscribed capital of the company to be employed in the purchase of land in the colony from the Government, and the remaining half to be reserved as a fund for the purposes of carrying on the government, and for the construction of roads, bridges, wharves, &c., and the foundation of a town or towns, so far as these latter objects shall be deemed desirable by the company.

8. The governor and all the officers of the colony to be appointed by the Crown.

It appears highly desirable that the whole power and responsibility of the Government should devolve upon the governor until the colony shall be thought sufficiently advanced to receive the grant of a Legislative Assembly.

— No. 7. —

No. 7.
Right Hon. E. G. Stanley, to W. W. Whitmore, Esq. M. P. 22 August 1833.

Memo.
Annexed.

COPY of a LETTER from the Right Hon. *E. G. Stanley* to *W. W. Whitmore*, Esq. M. P.

My dear Sir, Downing-street, 22 August 1833.

I HAVE examined the project which you sent to me some time since for the formation of a colony on the southern coast of Australia, and I now transmit to you a memorandum of the conditions upon which I am ready to treat with the proposed company.

Yours, &c.
(signed) *E. G. Stanley.*

MEMORANDUM.

Downing-street, 22 August 1833.

I SEE no objection to selling to a company a large tract of land at a minimum price of 5*s.* per acre, and agreeing that within certain extended limits, no land shall be sold by the Government below that price, reserving to the Government the power of selling any amount at or above that price per acre.

The company, however, must be bound to purchase the whole of their land, whether they settle it or not, by fixed instalments, within a limited period. The whole of the purchase-money to be expended in sending out emigrants, but a corresponding sum to be also paid over each year, to be laid out in the expenses of the civil government, or in carrying out an additional number of emigrants; the latter application not to be made without the consent of the company.

The proposal of a land-tax appears quite inadmissible as a mode of raising revenue; at all events, if it be adopted, it must be at the risk of the company, and they must be responsible to Government for a fixed annual income.

The advances made by the company for the civil government of the colony to be a debt on the colony; the repayment to commence when the whole advances shall have been made, or sooner if practicable, not to exceed per cent. per annum on the whole sum advanced. In default of other payment, may be repaid in land, at a price not less than 5*s.* per acre, nor below the average selling price by more than one-fifth.

Adequate provision to be made out of the produce of all lands, whether sold by the company or by the Government, for the support of religion and of education.

The Government to retain the power of consolidating the colony with any other for legislative and judicial purposes.

(signed) *E. G. Stanley.*

— No. 8. —

COPY of a LETTER from the Provisional Committee of the *South Australian Association* to the Right Honourable *E. G. Stanley.*

South Australian Association, 7, John-street, Adelphi,
21 February 1834.

No. 8.
Provisional Committee of South Australian Association to Right Hon. E. G. Stanley, 21 Feb. 1834.

THE undersigned, being members of the provisional committee of the South Australian Association, have the honour to transmit to Mr. Secretary Stanley two interleaved copies of the draft of a charter.

The papers which were laid before Mr. Secretary Stanley on the 23d of January last, had been drawn up with a view rather to afford information to the public as to the general principles and objects of the association, than to specify the details of the proposed undertaking. In the accompanying draft, therefore, though it contain nothing contrary to the plan which had been framed for public information, there will be found numerous provisions which did not appear in the other printed statements. The most important of these added provisions relate to the control of his Majesty's Government over the acts of the corporation; and some of them have been inserted expressly with a view to meet certain objections which had occurred to Mr. Secretary Stanley, and which were expressed by him to the deputation from the committee. It may be remarked also that the powers proposed to be conferred by the present charter are much less extensive, and far more under the control of his Majesty's Government than those conferred by any previous charter for similar purposes.

No. 8. Provisional Committee of South Australian Association to Right Hon. E. G. Stanley, 21 Feb. 1834.

The substitution of the word "commissioner," for that of "trustee," is not a merely verbal change, for it indicates and will draw attention to the fact, that the persons acting under the charter would be servants of the supreme government, and quite as much subject to its control as the members of any Royal commission.

Supposing that the measure in its present shape should have Mr. Secretary Stanley's approbation, the committee would propose that before the introduction of a bill authorizing his Majesty to grant the charter, ample security should be given to his Majesty's Government, by persons resident in this country, for the payment of a sum adequate to meet the expenses of Government (which sum they would propose should not exceed 7,000 *l.* in any one year, or 100,000 *l.* in the whole), together with ample security for the immediate purchase of waste land to the amount of 20,000 *l.*

If, however, the great pains which the committee have taken to render the charter wholly unexceptionable, should not prove successful, if Mr. Secretary Stanley should still disapprove of the measure, or of any part of it, and if there be any modification of it that would make it entirely agreeable to him, the committee beg that he will be pleased to specify such modification on one of the enclosed drafts, and to return the same to them; so that without giving him the trouble of a long correspondence and repeated interviews, they may obtain, for their own guidance, an accurate knowledge of his views.

W. W. Whitmore.
Geo. Grote.
William Hutt.
Robert Torrens.
Henry Warburton.
Wm. Clay.
Geo. Norman.
H. G. Ward.
John Wilks.
Joseph Parkes.
J. A. Roebuck.
William Molesworth.
G. Poulett Scrope.
Benj. Hawes, jun.
A. W. Beauclerk.
Edward Strutt.
M. W. Hill.
Rich. Norman.
Raikes Currie.
Abraham Borradaile.
Jacob Montefiore.
D. Wakefield.
Jos. Wilson.

Draft of a proposed Charter for the South Australian Commission, with some Introductory Remarks.

Introductory Remarks.

The origin of colonial charters may be easily traced.

The plantation of a colony, that is, the establishment of society on a distant and desert spot, requires the exercise of the highest of those governing or sovereign powers by which society is anywhere maintained. In former times, the government of England never undertook the formation of colonies. Every old colony planted by the English seems to have been projected by one or more private persons. It was impossible that those private persons should carry their purpose into effect without obtaining powers sufficient to constitute and uphold society in a distant place. In every case, then, the grant of such powers by the government to one or more private persons was a necessary condition of founding the colony. We find, accordingly, that every one of the charters of our old colonies in America erected a kind of sovereignty, bestowing upon a single person, or several persons incorporated as one, a degree of authority which was supreme, so far as related to the country about to be colonized. That powers so extensive should ever have been exercised by private persons may, at first sight, appear anomalous, and inconsistent with the principles of government; but upon reflection it will be seen that the exercise of such powers by somebody was absolutely necessary, and that, in point of fact, the sovereignties, whether individual or corporate, created by colonial charters, existed by means of, depended upon, and were therefore parts of that general sovereignty from which they derived their special powers. In the case of the recent Swan River settlement, an Act of Parliament authorized the King "to make, ordain, (and to authorize and empower any three or more persons resident and being within the said settlement, to make, ordain,) and establish, all such laws, institutions and ordinances, and to constitute such courts and officers as may be necessary for the peace, order and good government of His Majesty's subjects and others within the said settlement." Here the obligation to exert powers sufficient for the foundation of the colony was, in effect, imposed upon the Colonial Secretary of State. Whether it be better that the government of the mother-country should thus exert the powers required for founding a colony, or bestow such powers on individuals for that purpose, may be questionable; that is, one might dispute about which is the better means of establishing a colony; but in either case, it is plain, a new department of sovereign power must be created; and it seems equally plain, that in the case when the supreme authority will not exercise its own power in such new department, either a colony will not be founded, or the necessary authority must be given to private persons. The grounds then on which, in the proposed charter, extensive powers are given to the corporation thereby created, are that such powers are indispensably requisite for accomplishing the object in view.

The following abstract or description of the powers given by several colonial charters, will show the nature of the authority, which on former occasions it was judged expedient to bestow upon private persons for enabling them to found colonies.

Abstract

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Provisional Committee of South Australian Association to Right Hon. E. G. Stanley.
21 February 1834.

ABSTRACT or Description of certain Powers granted by the Government of England to Individuals or Bodies Corporate for the foundation and government of Colonies.

1578. Letters Patent from Queen Elizabeth to Sir Humphrey Gilbert, his heirs and assigns; with powers—"To discover and take possession of remote and heathen countries. To exercise rights, royalties, and jurisdiction in such countries and the seas adjoining. To dispose of such lands to Her Majesty's subjects in fee-simple or otherwise. To correct, punish, pardon, govern and rule, as well in causes capital or criminal as civil, all her subjects inhabiting such countries. To constitute such statutes, laws and ordinances as should by him, his heirs and assigns, be devised or established."

1584. Queen Elizabeth granted to Sir Walter Raleigh a patent similar to that which she had granted to his brother-in-law Sir Humphrey Gilbert.

1606. Letters Patent from James 1 to Sir Thomas Gates, Sir George Somers and others, for two several colonies and plantations to be made in Virginia. To have a council established in England to consist of 13 persons, to be appointed by the king, to be called the Council of Virginia. The council "to have the superior managing and direction only of and for all matters that shall or may concern the government, as well of the colonies of Virginia, as of and for any other place within the precincts of 34 and 45 degrees in the said letters-patent described." The council to have power to establish coins for the colonies, and to levy duties on goods imported.

1630. Grant from Charles 1 to Sir Robert Heath, attorney-general, of powers to plant a colony in Carolina. No attempt at settlement having been made under this grant, it was deemed null and void.

1632. Grant from Charles 1 to Cœcilius, Lord Baron of Baltimore, his heirs and assigns, of powers to plant a colony in Maryland. To hold, possess and enjoy lands within certain limits "as the true and absolute lords and proprietors of the said country, saving always the faith and allegiance, and sovereign dominion due unto us, to the sole and proper use and behoof of the said Lord Baltimore, his heirs and assigns, for ever." To ordain, make, enact, and publish any laws whatsoever appertaining either unto the public state of the said province or unto the private utility of particular persons, according to the best discretion of the said Lord Baltimore, his heirs and assigns, by and with the advice of the freemen of the province or of their delegates, whom the said Lord Baltimore should assemble in such form and manner as he pleased. To levy forces, make war, and, if necessary, to exercise martial law in the province. To confer titles. To erect and incorporate boroughs and cities. To impose duties of custom and port charges. To grant lands to be holden of themselves and their heirs. To erect manors. To be exempt from taxation by the English Government.

1644. Grant from Charles 1 to Henry Rosewell and others, of powers to found a colony at Massachusetts Bay. "To have full and absolute power and authority to correct, punish, pardon, govern and rule such subjects of us, our heirs and successors, as shall from time to time adventure themselves in a voyage thither or from thence, or that shall at any time hereafter inhabit within the said precincts, according to the laws and ordinances aforesaid, not being repugnant to the laws and statutes of England." To be exempt from the payment of customs or subsidies in England for seven years. "From time to time to make, ordain and establish all manner of wholesome and reasonable orders, laws, statutes and ordinances, directions and instructions, not contrary to the laws of the realm of England, as well for settling of the formes and ceremonies of government and magistracie fit and necessary for the said plantation and the inhabitants there, and for naming and styling of all sorts of officers, both superior and inferior, which they shall find needful for that government and plantation, and the distinguishing and setting forth of the several duties, powers and limits of every such office and place, and the forms of such oaths warrantable by the laws and statutes of the realm of England, as also for the disposing and ordering of the elections of such of the said officers as shall be annual, and of such others as shall succeed in case of death or removal, and for the directing, ruling and disposing of all other matters and things whereby our said people inheriting the said colony may be religiously, peaceably and civilly governed."

1663. Grant by Charles 2 to Lord Clarendon, the Duke of Albemarle and others, of Carolina. This grant bears a close resemblance to that of Maryland, and was probably copied from it. It was under this charter that John Locke was employed to frame a constitution for Carolina.

1670. Grant by Charles 2 to Prince Rupert, the Duke of Albemarle, the Earl of Craven and others, under the name of the Hudson's Bay Company, of all lands, territories and countries within Hudson's Streights, under the name of Rupert's Land; exclusive trade therein; power to punish interlopers, to appoint governors, judges and other officers, to execute justice, to employ ships of war, and to make peace or war with any people not being Christians. This charter is still in operation.

1673. Grant (Connecticut) by Charles 2 to John Wintrop, John Mason and others with powers to "erect and make such judicatories for the hearing and determining of all actions, causes, matters and things happening within the said colony or plantations as they shall think fit and convenient, and also from time to time make, ordain and establish all manner of wholesome and reasonable laws, statutes, ordinances, directions and instructions, not contrary to the laws of this realm of England, as for settling the forms and ceremonies of government and magistracy fit and necessary for the said plantation and the inhabitants there, as for naming and styling all sorts of officers, both superior and inferior, which they shall find needful for the government and plantation of the said colony, and the distinguishing and setting forth of the several duties, powers and limits of every such office and place, and for imposing of lawful fines, mulcts, imprisonments and other punishments upon offenders

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offenders and delinquents." "From time to time, and at all times hereafter, for their special defence and safety, to assemble martial array, and put in warlike posture the inhabitants of the said colony, and to commissionate, empower and authorize such person or persons as they shall think fit to conduct and lead the said inhabitants, and to encounter, expulse, repell and resist by force of arms, as well by sea as by land, and to kill, slay and destroy by all fitting ways, enterprizes and means whatsoever, all and every such person or persons as shall at any time hereafter attempt or enterprize the destruction, invasion, detriment or annoyance of the said inhabitants and plantation."

1673. Grant (Rhode Island) by Charles 2 to John Clarke and others, with powers "to use, exercise and put in execution, in the administration of justice and exercise of government in the said plantation, such methods, rules, orders and directions as have been used and accustomed in such cases respectively until at the next or some other general assembly of the said corporation especial provision shall be made and ordained." "To nominate, appoint and constitute such and so many commanders, governors and military officers as to them shall seem requisite for the leading, conducting and training up the inhabitants of the said plantation in martial affairs, and for the defence and safeguard of the said plantation."

1673. Grant (Pennsylvania) by Charle 2 to William Penn, with powers "free, full and absolute to him and his heirs, and to his and their deputies and lieutenants, to ordain, make, enact, and under his and their seals to publish any laws whatsoever for the raising of money for the public use of the said province, and for any other end appertaining either to the public state, peace or safety of the said country, or unto the private utility of particular persons, according to their best discretions, by and with the advice, assent and approbation of the freemen of the said country, or the greater part of them, or of their delegates or deputies, whom for the enacting of the said laws when and as often as need shall require, we will, that the said William Penn and his heirs shall assemble in such sort and form as to him and them shall seem best, and the said laws duly to execute unto and upon all people within the said country and limits thereof." "To appoint and establish any justices, magistrates and officers whatsoever, for what causes soever, and with what power soever, and in such form as to the said William Penn or his heirs shall seem most convenient." "To have and enjoy from time to time for ever the customs and subsidies in the ports, harbours and other creeks in the places aforesaid." "That we, our heirs and successors, shall at no time hereafter set, or make, or cause to set any imposition, custom or other taxation, rate or contribution whatsoever, in and upon the dwellers and inhabitants of the aforesaid province, or in and upon any goods and merchandize within the said province, or to be laden or unladen within the ports or harbours of the said province, unless the same be with the consent of the proprietary or chief governor and assembly, or by Act of Parliament in England."

1731. Grant (Georgia) by George 2 to John Lord Viscount Percival and others, of all lands in a certain part of South Carolina, with powers "to form and prepare laws, statutes and ordinances, fit and necessary for and concerning the government of the said colony, and not repugnant to the laws and statutes of England; and the same shall and may present under their common seal to us, our heirs and successors, in our or their Privy Council, for our or their approbation or disallowance; and the said laws, statutes and ordinances being approved by us, our heirs and successors, in our or their Privy Council, shall from thenceforth be in full force and virtue within our said province of Georgia." "To erect and constitute judicatures and courts of record, or other courts, to be held in the name of us, our heirs and successors, for the hearing and determining of all manner of crimes, offences, pleas, processes, plaints, actions, matters, causes and things whatsoever, arising or happening within the said province of Georgia, or between persons inhabiting or residing there, whether the same be criminal or civil, and whether the said crimes be capital or not capital, and whether the said pleas be real, personal or mixed, and for awarding and making out executions thereon." "To nominate, make, constitute, commission, ordain and appoint, by such name or names, style or styles, as to them shall seem meet and fitting, all and singular such governors, judges, magistrates, ministers and officers, civil and military, both by sea and land, within the said district, as shall by them be thought fit and needful to be made or used for the government of the said colony; provided always, that every governor of the said province of Georgia shall be approved of by us, our heirs and successors." "To train, instruct, exercise and govern a militia for the special defence and safety of our said colony, to assemble in martial array, and put in warlike posture, the inhabitants of the said colony, and to lead and conduct them, and with them to encounter, expulse, repel, resist and pursue by force of arms, as well by sea as by land, within or without the limits of our said colony, and also to kill, slay, destroy or conquer, by all fitting ways, enterprizes and means whatsoever, all and every such person and persons as shall at any time hereafter, in an hostile manner, attempt or enterprize the destruction, invasion, detriment or annoyance of our said colony." "To authorize and appoint such persons as they shall think fit, to take subscriptions, and to gather and collect such monies as shall be by any person or persons contributed for the purposes aforesaid; and shall and may revoke and make void such appointments as often as they shall see cause so to do."

1791. Grant (Sierra Leone) by George 3 to Granville Sharpe, William Wilberforce and others, of all lands in the Peninsula of Sierra Leone; with powers of legislation and government quite as large as those granted to Lord Baltimore or William Penn.

Of the old American charters some were granted to persons who continued to reside in England, as in the case of the London and Plymouth Companies for Virginia; some to persons already established as a colony, as in the cases of the second Massachusetts, Connecticut and Rhode Island; and some to persons who left England to found a colony, as in the

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the case of William Penn. In the two latter classes of cases, the powers bestowed were employed for the greatest good of the colony, and with the happiest results. In the first class of cases, the powers bestowed were often greatly abused. Persons residing in England obtained power both to plant and to govern a colony; but, while they had an interest in planting well, they had sometimes an interest in governing ill. An infant colony, requiring very little government, might be pretty well governed from a distance; but as a distant sovereign must necessarily be ignorant of the situation and wants of his subjects, no sooner was a colony established so as to be susceptible of good government, than the colonists had to complain of the ignorance or oppression of their distant sovereign. In all such cases, the liability to receive supreme orders from an individual or corporation residing at a great distance from the colony, produced much discontent; and it led in some cases to rebellion and civil war. Nay, in some cases, the colony was glad to throw off its charter government, and to proclaim the King of England as its only sovereign. The history of the disputes between colonists in America and their chartered sovereigns residing in England, is a record of all kinds of evils suffered by the colonists. Those evils appear to have arisen from one cause only, from the want of any sufficient provision for that change of circumstances which takes place when an infant colony grows to maturity. Though some of the colonial charters which created sovereigns in England, made some provision for the self-government of the colony, and though several of those sovereigns voluntarily bestowed upon their subjects some degree of self-government, still, in none of those charters was there any specific provision for the timely transfer of the powers of government from the individual or corporate sovereign residing in England to the colonists themselves. In the present case, the time at which, or rather the circumstances under which, such transfer shall take place is fully specified.

In another respect, this charter differs from most other colonial charters. In almost every preceding case, the individual or corporate sovereign had some private object; some view to profit, either as a land-owner or a trader, or both; whereas, in this case, the objects of the corporation are entirely of a public nature. If this charter should be granted, it will be nothing but a means, employed by the sovereign authority of the mother-country, for extending good government to such of its subjects as may please to settle and pursue their private objects in South Australia. On this account, the document would deserve to be called a commission rather than a grant. The corporation will be, in fact, nothing but a commission appointed by the Government to effect a public purpose. Supposing the purpose to be a good one, the Government, in its character of a trustee for the public, is interested in seeing that the commissioners have sufficient powers for accomplishing the objects of the commission. Ample powers, in short, are required by the grantees, not for any private end of their own, but for the public end of the grantor; that is, the founding of a colony as well as possible.

This last consideration will meet any objection to the great extent of land which it is proposed shall be placed at the disposal of the corporation. Whether the extent of land were great or small, would be quite indifferent to the commissioners individually; but as a corporation, responsible to the public for the fate of the colony, they will have a deep interest in securing its prosperity. The prosperity of the colony will depend mainly upon the uniformity and permanence of the system for disposing of waste lands, and upon a general conviction that the working of the system will not be interrupted; but if any other system should be adopted near to the place where this system was established, there would no longer be an uniform system; and if the waste lands in the neighbourhood of the place where this system was established, should be left liable to the adoption of any other system, an interruption of the due working of this system, instead of appearing impossible, would appear by no means improbable. The single object, therefore, of placing so great an extent of land under the control of the corporation is the success of the colony. The effect of the provision will be the same as if the supreme authority had passed a law, declaring, that all the lands within the limits of the proposed colony should be disposed of in the way in which this corporation will be obliged to dispose of them.

The provisions, however, for placing so great an extent of land under an uniform and permanent system of management are so framed that they shall not operate in a way contrary to the object of them. If the corporation succeed in the attempt to establish a flourishing colony, the provisions will last; if it fail in that attempt, the provisions will cease, and all the lands not disposed of under those provisions will become liable to any other system of management that the supreme authority may please to try. Thus, if the corporation should not make a good use of their power over the waste lands of the colony, the Government will not be precluded from making the best use of the lands.

The power to erect other corporations in England or elsewhere, for the sole purpose of buying and selling lands in the colony, seems to be required by the great utility of such a provision, and the grant of it to be justified by the following words of Blackstone:—"The king (it is said) may grant to a subject the power of erecting corporations, though the contrary was formerly held; that is, he may permit the subject to name the persons and powers of the corporation at his pleasure; but it is really the king that erects, and the subject is but the instrument; for though none but the king can make a corporation, yet *qui facit per alium facit per se.* In this manner, the Chancellor of the University of Oxford has power by charter to erect corporations, and has actually often exercised it, in the erection of several matriculated companies, now subsisting, of tradesmen subservient to the students."

As the South Australian Commission will not be a joint-stock company, no body of persons will exist in whom might have been vested the right of electing commissioners. It was necessary, therefore, to adopt the principle of self-election under certain limitations. Under several of the old charters, the heirs and assigns of the grantee succeeded to his powers.

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The mode of self-election adopted in this case has been taken from a local Act passed in the seventh year of George 4, intituled, "The Grosvenor Place Improvements Act," whereby extensive powers are given to certain trustees and their successors, provision being made that the heirs of certain persons shall succeed as trustees; and that, in other cases, new trustees shall be elected by the then remaining trustees. The object of these provisions was to give to the Earl of Grosvenor and his heirs, and to other owners of land near Grosvenor-place, and their heirs, considerable powers within a new town which those landowners were desirous to erect on their own property, and have since erected. Perhaps they would not have erected the town unless they had obtained the powers. Just so in this case, upon those who undertake the trouble of founding a colony is bestowed the power of naming the persons who, as their successors, will have to complete the work.

But as the first commissioners are to be named by the king, so it is provided that no election of a new commissioner shall be valid without the express approval of His Majesty's Government, and that such commissioners shall likewise be liable to removal for neglect of duty by His Majesty's Government.

The expression "not repugnant to the laws of England," has been taken from the old charters. It is intended to provide, not that the laws made for the colony shall be the same as the laws of England, but that no law made for the colony shall supersede, or clash with, any law of England. Very many of the laws of England would be totally inapplicable to an infant colony (the Poor Laws for example), while not a few of those laws (for instance, the laws of the transfer of estates) would be very injurious to the colony, where land will continually change hands. Under the old charters, all sorts of laws, very different from the laws of England, were necessarily made; but if a law had been made in opposition to any English law (such as a law contrary to the English Navigation Laws), it would have been void, as "repugnant to the laws of England." That term was employed on former occasions, and is here employed, to provide that no law made under the charter shall authorize the doing of any act which any law of England declares shall not be done.

Another reason for not applying the laws of England to the colony is, that those laws exist for a stable condition of society, while a colony growing from infancy to maturity is constantly in a state of transition. As a code of laws, such as will be required by the colony in its mature state, would be unsuitable to its infancy, so must additions be continually made to those simple regulations which will suffice for the infant settlement. The power, therefore, to frame laws for the colony, is given in nearly the same large and general terms as occur in the old charters, and as were lately used by Parliament in the Act for authorizing His Majesty to make laws for the Swan River settlement.

The provisions for submitting for the approval or disapproval of His Majesty's Government the appointment and continuance in office of the colonial governor, and certain other officers, and all colonial laws made by the corporation, and for insuring that His Majesty's Government shall at all times be fully informed of the proceedings of the corporation, have been introduced with a view of creating of as many checks upon the commissioners as would be compatible with the greatest check; a sense of complete responsibility. Whatever shall be done will be the act of the corporation; and yet all their acts, being open to examination, may easily be questioned by His Majesty's Government, by Parliament, and by the public. When they shall do well, no one, it may be presumed, will interfere with them; and if they should do wrong, they will be liable to correction.

A century back, such a charter as this would have been granted without the authority of Parliament. But in modern times no such charter, it is believed, has been granted without that authority. The latest charter of the sort, that of the Sierra Leone Company, granted in 1791, was founded on Act of Parliament. Even in such cases as the Australian Agricultural Company and the Canada Company (both in 1824), where the objects were strictly colonial and of a private nature, and where the powers granted were by no means extensive, an Act of Parliament preceded the charter. It has been taken for granted that an Act would be required in this case; that is, the charter has been drawn on the assumption that all its provisions will be authorized by the Legislature.

South Australian Commission.

Charter of Incorporation.

Recites That certain parts of Australia are fit for colonization.

1°. William the Fourth, by the grace of God of the United Kingdom of Great Britain and Ireland King, Defender of the Faith, and so forth, To all to whom these presents shall come, greeting: Whereas that part of Australia which lies between the hundred and thirty-second and the hundred and forty-first degrees of east longitude, and between the Southern Ocean and the Tropic of Capricorn, together with the islands adjacent thereto, consists of waste and unoccupied lands which are supposed to be fit for the purposes of colonization;

That certain persons are desirous of founding a colony there.

and whereas divers of our subjects, possessing amongst them a considerable property, are desirous to embark for the said part of Australia, and on the said waste and unoccupied lands to establish themselves as a permanent colony, and others of our subjects being in a state of great poverty and destitution, are desirous to accompany the said persons, and by them to be employed in reclaiming the waste lands of the said country, and bringing the same into a state of productive cultivation; and whereas it is highly expedient that our said subjects

That evils have heretofore arisen for want of a uniform system in disposing of the waste lands.

should be enabled to carry their said laudable purpose into effect; and whereas in divers colonies planted under and by virtue of the letters-patent of our royal predecessors, serious evils have arisen from the want of any uniform and permanent system in the mode of disposing of the waste land of such colonies, and it is highly expedient that in the said intended colony an uniform system in the mode of disposing of waste land should be permanently established; and whereas for the planting of a colony, and the maintenance therein of peace, order

order and good government, the exercise of certain powers and authorities is required; and whereas divers of our royal predecessors, willing to promote the settlement of colonies in America, saw fit to grant from time to time unto divers of their subjects sundry rights, powers, authorities and privileges; and whereas in and by a certain Act of Parliament passed in the year of our reign, intituled, "An Act to enable His Majesty to create and appoint Commissioners for the establishment of a Colony in South Australia, and to incorporate the said Commissioners by the name of The South Australian Commission, and to invest the said Corporation with certain Rights, Powers, Authorities and Privileges, and for other Purposes relating thereto," after reciting * * * * it was enacted * * * * * * * * * * Now know ye, that upon the prayer of the several persons hereinafter named and others, and also of our especial grace, certain knowledge and mere motion, we have given, granted, made, ordained, constituted and appointed, and by these presents for us, our heirs and successors, do grant, make, ordain, constitute, declare and appoint that A. B., C. D., and * * * * * * * together with such and so many other persons as shall from time to time be chosen hereafter in manner hereinafter directed, and their successors, shall be commissioners for establishing a colony in South Australia as hereinafter mentioned, and shall be a body politic and corporate in deed and in name, by the name of the South Australian Commission, and by that name shall and may sue and be sued, implead and be impleaded, in all courts whether of law or equity, and shall have perpetual succession, with a common seal, which may by them be changed or varied at their pleasure.

Act authorizing the incorporation of the South Australian Commission.

Appoints that *A. B.*, *C. D.* and their successors shall be commissioners, and a corporation for establishing a colony in South Australia.

2°. And we do further will, declare and ordain, that the said corporation shall be and is established for the purpose of founding a colony on the South Coast of Australia, between the hundred and thirty-second and the hundred and forty-first degrees of east longitude, or on any of the islands thereto adjacent, and of maintaining peace, order and good government amongst our subjects who shall inhabit the said intended colony, and of managing and disposing of the said waste lands of the said country with a view to the greatest success and prosperity of the said intended colony, in conformity with the tenor of these presents.

Purpose of the corporation.

3°. And we do further declare, will and ordain, that for the better insuring the good government and prosperity of the said corporation, there shall be holden general meetings of the said commissioners at least in each year; that is to say, on the first in the months of respectively, and that if there shall at any time hereafter be a failure of holding a general meeting of commissioners on any of the days aforesaid, then and in every such case any three or more of the said commissioners may call a general meeting of the said commissioners, by notice or summons to be delivered at the usual places of abode of the said commissioners, seven days at least before the day appointed for such general meeting in the said notice; and it shall be lawful for the said commissioners appointed by these presents, and their successors, and they are hereby authorized, from time to time, to hold any special meeting between their then last general meeting and the day on which their next general meeting is by these presents appointed to be held, so that such special meeting shall be required, in manner aforesaid, by three or more of the said commissioners, and notice thereof in writing given to or left with the secretary or chief clerk of the said corporation, who shall thereupon give seven days' notice to the said commissioners of such intended special meeting, and shall specify in such notice the object or objects of such special meeting; and it shall be lawful to the said commissioners and their successors assembled at any such general or special meeting as aforesaid, from time to time afterwards to adjourn themselves; and if at any time there shall not appear a sufficient number of the said commissioners as hereinafter prescribed, any one of the said commissioners present may adjourn the meeting to any other day; and no act of the said commissioners shall be valid unless made or done at some general meeting, special or adjourned meeting held as aforesaid (except the calling of meetings as aforesaid); and all the rights, powers, authorities and privileges, by these presents granted to or vested in the said commissioners and their successors, shall and may from time to time be exercised by the major part of them present at general, special or adjourned meetings, to be holden as aforesaid, the number of commissioners present at any such meeting not being less than five; and in all cases where the number of votes upon any question shall be equal (including the chairman's vote), the chairman shall have the casting vote; and at every general, special or adjourned meeting to be holden as hereinbefore directed, the first business shall be the selection of a chairman to preside at the same.

Four general meetings of the commissioners to be held in every year.

Special meetings to be convened by notice.

All powers, &c. of the commissioners exerciseable by the majority present at meetings not being fewer than five.

Chairman to have casting vote.

4°. And we do further will, direct and appoint that minutes of all acts, orders and proceedings of the said commissioners at any of their meetings shall be entered in a book or books, to be kept by their secretary or chief clerk or clerks for the time being for that purpose, and shall be signed by the chairman of such meetings respectively, and by two of the commissioners then present; and all such acts, orders and proceedings shall then be deemed and taken to be original acts, orders and proceedings, and such book or books shall and may be produced and read as evidence of all such acts, orders and proceedings, on any appeal, trial or information, or at any proceedings, civil or criminal, in any court or courts of law or equity whatsoever.

Minutes of proceedings to be entered in a book to be kept as aforesaid, and to be evidence.

5°. And we do further will, direct and appoint that a true copy of all such minutes as aforesaid, signed by the secretary or chief clerk of the said commissioners for the time being, shall from time to time be laid before our Principal Secretary of State for the Colonies for the time being.

Copies of minutes to be laid before Colonial Secretary.

6°. And we do further declare, will and ordain, that when and so often as any of the commissioners of the said corporation, or any of the commissioners to be appointed in their place,

Power to appoint new commissioners.

place, shall die, or refuse or neglect to act, being first duly summoned by notice in writing, signed by the said secretary or chief clerk, or become incapable of acting for the space of , the surviving or remaining commissioners assembled at their next general or special meeting (the intended election of a new commissioner or commissioners being expressed in the notice or summons for such meeting) shall, by an instrument under the common seal of the said corporation, nominate one other person to be a commissioner in the room of every such commissioner so dying, refusing, neglecting or becoming incapable to act as aforesaid; and every commissioner so from time to time to be nominated, as lastly hereinbefore directed, is hereby invested with the same rights, powers, authorities and privileges as if he had been one of the commissioners named in these presents; and no person hereinbefore expressly named a commissioner of the said corporation, or who shall be nominated a commissioner as hereinbefore directed, who shall neglect to act for the space of , shall after that time be capable of acting as a commissioner, unless he shall be again nominated at any general or special meeting by the remaining commissioners. Provided always, that no person who shall be appointed a commissioner as hereinbefore directed, in the room of any commissioner hereinbefore expressly named, or in the room of any preceding commissioner, shall act as a commissioner of the said corporation until the said nomination shall have been submitted to our Principal Secretary of State for the Colonies for the time being, for his disallowance or approbation; and in case our said Secretary of State shall, within seven days of receiving notice of such nomination, by any writing under his hand left with the secretary or chief clerk of the said corporation, disallow such nomination, then and in that case such nomination shall be deemed and taken to be null and void, and the surviving or remaining commissioners shall nominate, in the manner hereinbefore directed, one other person in the room of every such commissioner whose nomination shall have been so disallowed by our said Principal Secretary of State for the Colonies for the time being.

Commissioners to be approved of by Colonial Secretary.

Commissioners to be removable by the Secretary of State for misconduct, &c.

7°. And we do further will, declare and ordain, that provided the said commissioners named in these presents, and their successors, to be appointed as hereinbefore directed, or any of them, shall by any act of non-feasance or mis-feasance behave or conduct himself or themselves contrary to the true meaning, tenor and effect of these presents, it shall and may be lawful for our said Secretary of State for the Colonies for the time being to cancel the appointment of such commissioner or commissioners, and appoint others in his or their place or places.

Power to the commissioners to make bye-laws for the corporation in Great Britain and Ireland,

8°. And we do further will, direct and appoint, that the said commissioners and their successors shall have full power and authority, from time to time, at any general, special or adjourned meeting as aforesaid, to make such rules, orders and bye-laws as to them shall seem right and proper for the good government of the said corporation, and for regulating their proceedings, and for the regulation of all officers and servants to be employed in or about the affairs of the said corporation, and for the superintendence and management of the said corporation in all respects whatsoever, concerning the administration thereof in the United Kingdom of Great Britain and Ireland, and from time to time to alter and repeal such rules, orders and bye-laws; and all rules, orders and bye-laws so to be made as aforesaid, being reduced into writing, and the common seal of the said corporation thereto attached, shall be binding upon all such officers, and servants and other persons, and shall be sufficient authority in any court of law or equity to justify all persons who shall act under the same. Provided always, that such rules, orders and bye-laws be not repugnant to the laws of that part of the United Kingdom called England, or to any of the express directions or provisions of these presents.

not repugnant to the laws of England.

Power to purchase, hold and sell lands in Great Britain and Ireland and elsewhere, not exceeding in value 1,000*l.* per annum.

9°. And we do hereby further, for us our heirs and successors, grant unto the said corporation and their successors, and we do will, direct and appoint, that it shall and may be lawful for the said corporation to purchase, take, hold, sell and dispose of all lands, tenements and hereditaments, situate in Great Britain and Ireland, or elsewhere in our dominions, which it may be necessary or convenient for the said corporation to acquire in order to the full and complete execution of these presents; provided that such lands, tenements and hereditaments as may be purchased in Great Britain and Ireland, or in any other part of our dominions, be not altogether of more than the value of per annum at the time of such purchase; and also provided that all such purchase or purchases be made in conformity with the local laws and statutes in force in those parts of our dominions in which the lands, tenements and hereditaments so to be purchased may be situated; and the said corporation may do all other acts and things in relation to the premises in all respects as beneficially as any other body politic or corporate, or any subject of this realm is by law entitled to do.

Erection of the province of South Australia.

10°. And we do further declare, will and ordain, that all the lands, countries and territories lying between the 132d and the 141st degrees of east longitude, and between the Southern Ocean and the Tropic of Capricorn, together with all the islands adjacent thereto, shall be, and the same by these presents are, created and erected into one independent and separate province, by the name of South Australia, by which name we will the same henceforth to be called; and that all and every person or persons who shall at any time hereafter inhabit or reside within our said province, shall be and are hereby declared to be free, and shall not be subject to or bound by any laws, orders, statutes or constitutions which have been heretofore made, ordered or enacted, or which hereafter shall be made, ordered or enacted, by, for or as the laws, orders, statutes or constitutions of any other part of Australia, but shall be subject to and bound to obey such laws, orders, statutes and constitutions, as shall from time

time to time, in the manner hereinafter directed, be made, ordered and enacted, for the better government of our said province of South Australia.

11°. And we do further will, declare and ordain, that it shall and may be lawful for the said corporation, and their successors, from henceforth until such period as hereinafter mentioned, to make, ordain and establish, and (subject to such conditions and restrictions as to them shall seem meet) authorize and empower any one or more persons resident and being within our said province, to make, ordain and establish all such laws, institutions and ordinances, and to constitute such courts, and appoint such governors, judges, magistrates and other officers, as may be necessary for the peace, order, education and good government of our subjects and others within our said province; and from time to time to remove any such governor, judge or other officers.

Powers to corporation to make laws, appoint governor, &c. in the province.

Provided always, that such laws, institutions and ordinances, so by the said corporation to be made as aforesaid, and all such authorities and powers by them to be conferred upon one or more persons resident and being within our said province as aforesaid, be submitted to our Principal Secretary of State for the Colonies for the time being, for his approbation or disallowance, before the same be transmitted to the said province; and in case any of the said laws, institutions, ordinances, authorities or powers shall be disallowed by our said Secretary of State, at any time within of the day whereon the same shall have been submitted to him as aforesaid, then and in that case the same shall be deemed and taken to be null and void to all intents and purposes whatsoever. Provided also, that no such law, institution, ordinance, power, or authority, be repugnant to the laws of that part of the United Kingdom called England, or to any of the express provisions or directions of these presents. Provided also, that the appointment of every governor, colonial secretary, judge, commissioner of public lands, and Accountant-general of the said province, made as aforesaid, shall be submitted to our said Principal Secretary of State for the Colonies for the time being, for his disallowance or approval, and that no such appointment of any governor, colonial secretary, judge, commissioner of public lands, or Accountant-general of our said province shall have effect until after the express approval thereof, in writing, by our said Secretary of State.

All laws, &c. to be approved by the Colonial Secretary.

Governor and other officers to be approved by the Colonial Secretary.

12°. And we do further will, declare and ordain, that provided any governor, colonial secretary, judge, commissioner of public lands, or Accountant-general of our said province, appointed as aforesaid, shall, by any act of non-feasance or mis-feasance, behave or conduct himself contrary to the true meaning, tenor and effect of these presents, it shall and may be lawful for our said Principal Secretary of State for the Colonies for the time being to cancel the appointment of any such governor, colonial secretary, judge, commissioner of public lands or Accountant-general, and to require of the said commissioners that they do immediately appoint as aforesaid, one or more other person or persons in the room of any person or persons whose appointment shall have been so cancelled as aforesaid.

Governor and other officers removable by the Secretary of State.

13°. And we do further declare, will and ordain, that for the raising of a revenue to defray the costs, charges and expenses of the said corporation and of the good government of the said province, it shall and may be lawful for the said corporation and their successors from time to time henceforth, until such period as hereinafter mentioned, to impose and levy any rate or rates, tax or taxes, duty or duties, within the said province, as to them shall seem meet and desirable.

Power to commissioners to impose rates and levy taxes in the province.

Provided always, that no rate or rates, tax or taxes, duty or duties, shall be imposed or levied within the said province, unless the same shall have been approved of by our said Secretary of State for the Colonies for the time being, in writing under his hand, and that the amount of any such rate or rates, tax or taxes, duty or duties, shall not exceed in the whole the sum of

Provided the same be approved by the Secretary of State.

14°. And we do further declare, will and ordain, that the absolute property and power of disposition of, in and over the whole of the land within the boundaries of our said province shall be, and the same is hereby vested in the said corporation and their successors, under the name of "Public Lands of the Province of South Australia," to be by them held or disposed of for the purposes, upon, under and subject to the conditions, provisoes, limitations and restrictions following; that is to say,

All waste lands in the province to be vested in the corporation for purposes following.

15°. Firstly. That the said corporation, in the exercise of the powers and authorities by these presents granted unto them, shall appoint, constitute, establish and maintain, for and within our said province, a separate department of government, under the name of "The Board of Public Lands;" and that the proper and particular duty and office of the said board shall be to survey and measure the said public lands, and make maps of the same, and to dispose of all or any portion of the said public lands by sale in the manner hereinafter directed.

1st. That there shall be established a Board of Public Lands.

16°. Secondly. That one or more of the officers of the said board of public lands shall accompany the first expedition sent by the said corporation to our said province, and shall be instructed and ordered to select the most fit and convenient district and spot for the site of the future chief town of the said province and the seat of government.

2dly. Officers o ísuch Board to go out in the first expedition to fix the site of the chief town.

17°. Thirdly. That as speedily as conveniently may be after selection shall be made of the most fit and convenient district and spot for the site of the future chief town of the said province and the seat of government as aforesaid, the said officer or officers of the said board of public lands shall make an accurate survey as well of the said district and the area of the said intended site as of the lands immediately adjoining thereto, to as great an extent as conveniently

3dly. That the said Board shall survey and map such site and the adjoining lands, and divide same into sections, &c.

conveniently may be, and shall draw and frame maps of the same, dividing the said lands to be so surveyed and mapped into sections of not less than acres and plainly marking the said divisions or sections on the said maps, and shall at all times expose or exhibit all the said maps to public inspection within the office of the said board; and so in like manner from time to time, and at all times thenceforward, the said board shall make surveys and maps of the said public lands, at such intervals of time, and to so great an extent as conveniently may be beyond the portions of the said public lands already surveyed and mapped as hereinbefore directed, as they shall deem convenient or expedient for the time being, and shall divide all such lands, and make the divisions thereof on the said maps, and shall expose or exhibit all such maps in like manner in all respects as aforesaid.

4thly. Conditions of sale of public lands.

18°. Fourthly. That no portion whatsoever of the said public lands shall be disposed of so as to become private property in any other way than by sale at public auction, after due notice thereof,

5thly.

19°. Fifthly. That the upset price of such public lands shall never at any time, or under any pretext or circumstance whatsoever, be reduced below per acre.

6thly. Power to the Board of Public Lands to let a right of pasturage.

20°. Sixthly. That the said board of public lands shall let at such rent, in such portions, in such manner, and subject to such conditions as to them may seem desirable, the right of pasturage in severalty or in common, on, over and upon, all waste and unoccupied land within the said province, until purchased or demanded to be purchased by any individual or corporation under the conditions hereinbefore mentioned: Provided always, that all monies received by the said board in payment of rent for any part or parts of the said waste or unoccupied land, until purchased or demanded to be purchased as aforesaid, shall be deemed and taken to form part of, and be applied to the same purpose, as the fund arising from the sales of land or "Immigration Fund" hereinafter mentioned.

7thly. The Board shall keep an account of all sales.

21°. Seventhly. That the said board of public lands shall at all times keep full and particular accounts of the sales of land by them effected, specifying as to each sale the quantity and situation of the lands sold, the price per acre received, and the name of the purchaser; and shall, on the first Monday in every month, or as near to such period as may be, advertise in one newspaper at least, published within the said province, a true copy of all such accounts, so far as shall relate to the month next preceding; and shall from time to time, as often as can be, despatch to the said corporation of trustees true copies of all such accounts, and shall also from time to time, as often as can be, despatch true copies of all such accounts to our Principal Secretary of State for the Colonies for the time being.

8thly. That all monies received by the Board shall constitute an "Immigration Fund."

22°. Eighthly. That no monies received by the said board of public lands as the purchase-money of all or any section or sections as aforesaid of such public lands, shall be deemed or considered to form part of the ordinary revenue of the said province, but that all monies so received by the said board of public lands shall constitute a fund, to be called "The Immigration Fund;" and that all and every part of the said fund shall (subject to such administrative regulations as to the said corporation may be deemed meet) be employed for one purpose only; that is to say, for defraying in whole or in part, and under such conditions as may seem meet to the said corporation, the cost of the passage of poor emigrants, natives of Great Britain or Ireland, from Great Britain or Ireland to our said province.

9thly. That emigrants conveyed by the Board shall be adult persons of both sexes in equal numbers.

23.° Ninthly. That the said corporation, or any officer or officers by them appointed for that purpose, shall, in disposing of the said immigration fund in the manner aforesaid, use their best endeavours to the end that the poor persons so to be conveyed from Great Britain or Ireland to our said province, shall be adult persons, and of the two sexes in equal proportions, and not exceeding the age of 24 years.

10thly. That an account of the emigrants be kept.

24°. Tenthly. That the said corporation and their successors, or some proper officer or officers to be by them appointed for that purpose, shall keep full and particular accounts of the number of persons who shall or may be so conveyed from Great Britain or Ireland to our said province, specifying the last parish or place wherein every such emigrant shall have previously resided, the dates of the departure and arrival of such persons, the number in every month, the age and sex of every such person, and the contract or other price paid for the passage of all such poor emigrants as aforesaid; and from time to time, as often as conveniently may be, and once at the least in every year, shall advertise in one or more newspapers published in our said province, true copies of all such accounts, and shall from time to time, as often as conveniently may be, and once at the least in every year, despatch or deliver true copies of all such accounts to our Principal Secretary of State for the Colonies for the time being.

Commissioner of immigration to be appointed.

25°. And we do further will, declare and ordain, that the said corporation shall maintain in our said province an officer, to be called, "the Commissioner of Immigration," and that the proper duty and office of the said commissioner of immigration shall be to receive poor immigrants on their arrival in our said province, to ascertain the state of their health by means of medical inspection, and to assist them in finding employment; and the said commissioner shall, from time to time, make a full report of the proceedings of his office to the Governor of our said province, and to our Principal Secretary of State for the Colonies for the time being.

Declaration of the fundamental articles

26°. And we do further will, declare and ordain, that the provisions hereinbefore declared, made and ordained with respect to the management and disposal of the said public lands in

in our said province, and the application of all monies arising from the sale thereof, and the employment of the said immigration fund, shall be deemed and considered, and the same by these presents are declared, made, and ordained to be, fundamental articles of the constitution or government of our said province, and shall not at any time hereafter (except as hereinafter provided) be modified or altered in any degree or manner whatsoever, without the special leave of us, our heirs or successors, in writing, under our or their great seal, and the authority of Parliament first had and obtained. of the constitution of the province.

27°. And we do further will, declare and ordain, that for defraying the necessary costs, charges and expenses of the said corporation, as well in England as in our said province, and for carrying into effect the several purposes of these presents (excepting always the purpose whereunto the said "immigration fund" is made applicable as aforesaid), and for defraying all costs, charges and expenses incurred in applying for and obtaining the Act of Parliament hereinbefore recited, and these presents, and of all other expenses preparatory and relating thereto, it shall and may be lawful for the said corporation from time to time to borrow and take up, on bond or otherwise, at interest, such sum or sums of money as they shall judge necessary for the purposes aforesaid, upon the credit of the ordinary revenue to be levied and collected as hereinbefore directed within our said province; and the amount of any sum or sums of money by the said corporation borrowed and taken up as aforesaid, shall be deemed and taken to be a public debt owing by the inhabitants of our said province to the said corporation: Provided always, that such sum or sums of money as shall be borrowed and taken up at interest as aforesaid, shall not exceed in the whole the sum of Power to raise money for the government of the province, &c.

28°. And we do further will, declare and ordain, that until the sale of the said public lands in our said province shall from time to time produce a fund sufficient to defray the cost of conveying to our said province from time to time such a number of poor emigrants as may by the said commissioners be thought desirable, it shall and may be lawful for the said commissioners from time to time to borrow and take up, on bond or otherwise, at interest, any sum or sums of money for the sole purpose of defraying the cost of the passage of poor emigrants from Great Britain or Ireland to our said province; and all such sums or sum of money so borrowed and taken up for the sole purpose aforesaid, shall be borrowed on the credit of, and be deemed a charge upon, the whole of the fund to be obtained by the sale of public lands in our said province; and it shall be lawful for the said corporation from time to time, to appropriate all or any part of the monies which may be obtained by the sale of public lands in our said province, to the payment of interest on any such sum or sums borrowed and taken up as last aforesaid, or to the re-payment of such principal sum or sums. Power to raise monies for the conveyance of emigrants.

29°. And we do further will, declare and ordain, that in case the said corporation shall be enabled at any time to borrow or take up any sum or sums of money for any of the purposes of these presents at a lower rate of interest than any security or securities previously given by them under and by virtue of these presents which may then be in force shall bear, it shall be lawful for the said corporation from time to time to borrow and take up any sum or sums of money as they shall think proper at such lower rate of interest, and therewith to pay off and discharge any existing security or securities bearing a higher rate of interest as aforesaid. Power to borrow money at a lower rate of interest.

30°. And we do further will, declare and ordain, that it shall be lawful for the several persons entitled to any of the securities for the money to be borrowed, secured or raised as aforesaid, and their respective executors, administrators or assigns (as the case may be), at any time, by writing under their hands and seals, to assign and transfer such securities, and all benefit and advantage thereof, to any person or persons whomsoever. Assignment of securities.

31°. And we do further will, declare and ordain, that nothing herein contained shall be deemed, construed or taken to extend to make the commissioners who shall sign, execute or give any of the assignments, bonds or other securities so hereby authorized or directed to be given or made, or any of their co-commissioners, personally, or their respective estates, lands or tenements, goods and chattels, liable to the payment of any of the monies to be so borrowed and secured, by reason of their giving any such assignments, bonds or other securities as aforesaid; nor shall the said commissioners, or any of them personally, or their estates, be liable as aforesaid for or on account or in respect of any contract or contracts entered into by any officer or officers of the said corporation with any person or persons whomsoever, for the conveying of any of our subjects to our said province of South Australia under the provisions hereinbefore contained, or for any act, matter or thing in relation thereto, or for any contract, act, matter or thing whatsoever, made or entered into in the *bonâ fide* execution or performance of the purposes of these presents. Commissioners not personally liable.

32°. And we do further will, declare and ordain, that the said corporation from time to time, and twice at the least in every year, shall lay before our Principal Secretary of State for the Colonies for the time being full and particular accounts of the receipts and disbursements of the said corporation, as well in England as in our said province, and of the state of the funds of the said corporation at the time of delivering every such account. Accounts of the disbursements and receipts of the corporation to be laid before the Colonial Secretary.

Copy of all correspondence to be laid before the Colonial Secretary.

33°. And we do further will, declare and ordain, that the said corporation from time to time, and twice at the least in every year, shall lay before our Principal Secretary of State for the Colonies for the time being a true copy of all correspondence between the said corporation and their officers or other persons in our said province.

Power to incorporate land companies.

34°. And whereas divers persons, being resident in our United Kingdom of Great Britain and Ireland or elsewhere, are desirous to subscribe money into a joint stock for the purpose of buying and selling lands in our said province; and whereas for the more convenient laying out of the sites of towns, and the greater facility of making roads in our said province, and for other objects of a public nature, it is expedient that the purchase of large tracts of land by associated individuals, and the re-sale thereof in smaller lots, should be facilitated as much as lawfully may be, therefore we further will, declare and ordain, that it shall be lawful for the said corporation from time to time to grant unto any number of persons being resident in our United Kingdom of Great Britain and Ireland, or in any other parts of our dominions, sufficient power and authority to subscribe any sum or sums of money into a joint stock for the purposes aforesaid, and to have perpetual succession, and to sue and be sued as a body corporate, in such manner and with such provisions, limitations and restrictions as to the said corporation shall seem meet: provided always, that no such body corporate shall have or enjoy any right, power, authority or privilege whatsoever, otherwise than solely for or in relation to the said purposes of purchasing and selling lands in our said province of South Australia.

A census of the inhabitants of the province to be taken every year.

35°. And we do further declare, will and ordain, that on every anniversary of the landing of the first body of colonists in our said province, or as nearly thereto as conveniently may be, the governor of our said province for the time being, or such other person or persons as shall be appointed for that purpose by the said corporation, shall make or cause to be made a census of the inhabitants of our said province, accurately distinguishing the number of male persons who shall have attained the full age of 21 years; and that every such census, as soon as conveniently may be after the making of the same, shall be published in one or more newspapers within the said province; and that a copy of every such census, under the hand and seal of the governor of the said province, or such other person or persons as shall, for the purpose of making the said census be appointed by the said corporation, shall by the said corporation, as soon as they shall receive the same, be laid before our Principal Secretary of State for the Colonies for the time being.

An assembly of representatives to be convened

36°. And we do further will, declare and ordain, that at such time, and so soon as it shall appear, by any such census published as aforesaid, that amongst the inhabitants of our said province there shall exist and be so many as or any greater number of male persons, having attained the full age of 21 years or upwards, then the governor of our said province shall, within the space of six calendar months at furthest next following the publication of such amount of adult male population, cause to be elected by the inhabitants of our said province an assembly of representatives, in such manner and according to such rules, regulations and provisions for the election of the said Assembly as shall be determined by the said corporation, subject to the approval or disapproval of His Majesty's Principal Secretary of State for the Colonies for the time being.

under regulations to be approved by the Secretary of State.

Question to be submitted to the assembly of representatives.

37°. And we do further will, declare and ordain, that at some time within one calendar month after the election of any such assembly of representatives as aforesaid, the governor of our said province shall call together the members of the said assembly, and shall submit to them the following question, that is to say, "Whether the said assembly, as the representatives of the inhabitants of our said province, will undertake to discharge, within two years from the time then present, whatever debt may then be owing by the said province to the said corporation, and to provide funds for defraying all the costs, charges and expenses whatever of the future government of our said province;" and in case the said assembly shall determine the said question, or any part thereof, in the negative, then and in such case, the governor shall immediately dissolve the said assembly; and within one month after a year shall have expired from the day on which such assembly shall have been dissolved as aforesaid, the governor shall cause another assembly to be elected, and shall submit to the same the question hereinbefore recited; and so on from year to year, as often as any such assembly shall determine the said question, or any part thereof, in the negative; and in case the first or any subsequent assembly, so elected and called together as aforesaid, shall determine the question hereinbefore recited, and every part thereof, in the affirmative, and shall by a specific resolution undertake on behalf of their constituents, the inhabitants of our said province, to discharge within two years from the time then present, whatever debt may then be owing by the said province to the said corporation, and to provide funds for defraying all the costs, charges and expenses whatever of the future government of the said province, then and in such case, all such rights, capacities, powers, authorities and privileges relating to the local government of the said province, as by these presents are granted, conferred, ordained, appointed and confirmed to the said corporation, together with all the obligations, engagements and liabilities, pecuniary and otherwise, created or incurred by or under these presents, or arising out of the same, shall be as far as possible, and by these presents are, transferred from the said corporation to our subjects then or afterwards inhabiting our said province, and to their posterity for ever, but subject, nevertheless, to such other or additional provisoes, limitations,

Constitution of the legislative assembly

limitations, and conditions, relating to the future constitution and government of our said province, as shall by us, our heirs and successors, with the authority of Parliament, be willed, declared, ordained and enacted. to be formed by the King with the authority of Parliament.

38°. And we do further will, declare, and ordain, that if on the occasion of the first census, which shall be taken as hereinbefore directed, next after the expiration of years from the date of these presents, the number of male adults inhabiting our said province shall be less than , then and in that case, the provisions hereinbefore ordained with respect to the management and disposal of the public lands of our said province, shall thenceforth be deemed null and of no effect, and the entire control, management, and disposal of the then remaining said public lands shall revert to us, our heirs and successors, to the same effect as if these presents had not been granted. In case the population should not amount to in years, land to revert to the Government of the mother-country.

39°. And we do further will and direct, that these presents to the corporation aforesaid, under the great seal of Great Britain and Ireland, shall be in due manner made and sealed without fine or fee, great or small, to us in our Hanaper or elsewhere, and to our use therefore, or any ways, to be rendered, paid or made. No fees to be paid for the charter.

40°. And we do further declare, will, and ordain, that if perchance hereafter it shall happen that any doubts or questions should arise concerning the true sense and meaning of any clause, sentence or word contained in these presents, such interpretations, at all times and in all things, be made thereof and allowed in any of our courts whatsoever as shall be judged most advantageous and favourable to the said corporation and their successors. Provided always, that no interpretation be admitted thereof, by which the allegiance of the inhabitants of our said province due unto us, our heirs and successors, may suffer any prejudice or diminution. Construction of the charter.

In witness whereof, we have caused these our letters to be made patent, witness ourself at our Palace at Westminster this day of in the year of our reign

By Writ of Privy Seal.

—No. 9.—

COPY of a LETTER from *J. Lefevre*, Esq. to *W. W. Whitmore*, Esq. M.P.

Sir, Downing-street, 17 March 1834. No. 9. J. Lefevre, Esq. to W. W. Whitmore, Esq. M.P. 17 March 1834.

I AM directed by Mr. Secretary Stanley to communicate with you, as chairman of the provisional committee of the South Australian Association, in reply to a letter dated the 21st ultimo, addressed to him by the gentlemen composing that committee, transmitting for his consideration a copy of the draft of a proposed charter to carry into effect the objects of the Association.

I am to express Mr. Stanley's regret that you were prevented from being present at a conference which took place between a deputation from that committee and himself on the ultimo, on which occasion Mr. Stanley communicated his general views upon the subject, and his objections to the plan then proposed to him. Mr. Stanley has since been led to believe that a minute of the discussion which took place at that conference has been made, and has been circulated amongst the members of the provisional committee. As no draft of any such minute has been brought under Mr. Stanley's notice, he cannot either admit or judge of its accuracy, and he therefore desires me (in order to prevent any misconception of his views) to recapitulate to you the substance of the opinion which he expressed at that conference. It was agreed to postpone the consideration of the evidence which might be in the possession of the parties as to the fitness or unfitness of the particular tract selected for the purposes of settlement, until it should have been ascertained how far the political views of the proposed company and their project of colonization might meet with the concurrence of the Secretary of State. With reference to these points, and reserving the former question to be thereafter discussed, Mr. Stanley, in conformity with the views he entertained in August last, and which were communicated to you in his letter of the 22d of that month, declared himself willing, unless prevented by any express or implied stipulation with the Australian Agricultural Company, to treat with a body of persons associated as a company, with an adequate subscribed capital, for the sale to such company of a large quantity of land in South Australia, at the price of 5*s.* per acre, with the understanding that the amount paid by the company for such land should be laid out in sending emigrants from this country to the colony, under the direction of the company, and with a guarantee on the part of the Government that, within a district of very considerable extent, no further land

No. 9.
J. Lefevre, Esq. to W. W. Whitmore, Esq. M.P.
17 March 1834.

should be sold by the Crown under the minimum price of 5*s*. per acre, reserving, however, to the Crown the power of selling any quantity either at or above that price.

Mr. Stanley, however, signified that in consideration of this arrangement, the company should be bound to provide, for a given number of years, a fixed annual sum in payment of the expenses of the civil government, the officers of which were to be appointed by the Crown, but that the company should be allowed to reimburse themselves for the amount which might thus be advanced by them towards these expenses, either by charging it as a debt on the colony, or by taking an equivalent in land. Mr. Stanley also stated, that out of the lands to be hereafter sold by the company or by the Government, a fund must be set apart for the purposes of enabling the Government to afford assistance to the colonists in providing for education and religious instruction, not to be limited to any exclusive church or denomination; and he likewise intimated that, when the population of the colony should have reached a given amount, his Majesty would take into consideration the propriety of giving to the inhabitants a share in the legislation of the colony, and in the control of its finances. Mr. Stanley pointed out to the deputation the important differences which existed between the plan which they then brought forward and that in which he had thus intimated his inclination to acquiesce; and he most especially drew their attention to the strong objection which he felt to the interposition of a body of trustees between the Government and the parties actually interested in the intended colony. Mr. Stanley had hoped that the result of the conference to which I have adverted would have been such a proposal on the part of the provisional committee as Mr. Stanley would have felt himself justified in assenting to, but he regrets to perceive that the more matured plan which has been brought under his consideration in the shape of "the proposed charter for the South Australian Commission," is very widely different from that which he was inclined to sanction.

Mr. Stanley perceives that the parties who bring forward this plan, and who stipulate for the withdrawal from the power of the Crown of the whole of a large territory, are not prepared to ensure the application of more than a very small amount of capital to the purchase of any part of this territory, so small, indeed, as not to hold out a sufficient guarantee for their experiment being effectually set on foot. He perceives also that, as the proposed charter is framed, the whole active legislative power over the colony is to be taken from the Crown, and is to be placed in the hands of commissioners, not (except in the first instance) selected by the Crown, not removable, except for positive misconduct or neglect, not responsible, either to the colonists or to the Government at home, for the measures which they may propose, and not personally interested in the success of the undertaking which they are to conduct.

On the other hand, the Secretary of State for the Colonial Department, who will be unable to carry into effect any measure whatever, however essential he may consider it to the welfare of the colony, will still have the task of checking and controlling the proceedings of this new legislative body, and will therefore be subject to the responsibility of the failure of the experiment, without being able to contribute to its success.

Unless this important feature of the proposed charter is abandoned, unless the government of the colony is to be left in the hands of the Crown and its constitutional advisers, until it is able to govern itself, unless, in fact, the provisional committee of the Association find themselves able to assimilate in a much greater degree their project to that which I have above sketched out as meeting Mr. Stanley's views, Mr. Stanley will be under the necessity of declining to proceed any further in this negotiation with the South Australian Association, a course which, the intrinsic merits of their plan, considered as a means of facilitating emigration, and the respect which he entertains for the distinguished individuals composing the committee, would lead him sincerely to regret.

I am further to add, that, in the event of the Association ultimately deciding to treat for the purchase of a tract of land upon the terms above suggested by Mr. Stanley, Mr. Stanley would not object to the following stipulations being made in their favour, namely, that the minimum price at which the Crown should sell any additional land to individuals should be somewhat higher than that at which the company should have purchased it; and that a considerable part of the purchase-money of such additional land should be expended in promoting emigration upon such principles as might be hereafter agreed on by the Association and Her Majesty's Government.

I am, &c.

(signed) *John Lefevre.*

—No. 10.—

COPY of a LETTER from *George Grote*, Esq. M.P. to *John Lefevre*, Esq.

No. 10.
G. Grote, Esq. M.P to J. Lefevre, Esq. 21 March 1834.

South Australian Association, 7, John-street, Adelphi,
21st March 1834.

Sir,

IN the absence of Mr. Whitmore, the chairman of the Provisional Committee of the South Australian Association, I have the honour to acknowledge the receipt of your letter to him of the 17th instant, which has been submitted to the committee.

The committee wish me to express, in the first place, their fear that their objects have not been thoroughly understood by Mr. Secretary Stanley. It is true, that at the interview to which you refer, Mr. Stanley suggested, that the association should be a joint-stock company for the purchase and sale of land; but this never was the object of the present association; and I may add, that the proposal at the conclusion of your letter for bestowing land on such a company, at a lower price than that which should afterwards be paid by others, is directly contrary to one of the chief objects of the association; viz. that in the intended colony, land should be uniformly sold upon equal terms to all applicants.

In order to express what have been the objects of the association, I must briefly advert to the difference between a chartered colony and a Crown colony.

A colony founded by charter is one example of that delegation of authority, which in perpetual succession has for ages been a leading principle of the British Government; while a colony founded by the Crown is an example of that central authority, acting at whatever distance from the seat of government, by means of temporary agents, which is a leading principle of the French Government. In either case, however, the trouble, the responsibility, and the authority, necessarily go together.

Now, the object of this association was to found a colony by means of an authority delegated in perpetual succession to certain persons who should incur the trouble and responsibility of conducting the undertaking. Mr. Stanley objects to such a delegation of authority. It follows that he objects to a chartered colony; for, of course, no body of persons would consent to take the trouble and responsibility of such an undertaking, without obtaining at the same time sufficient authority for carrying their objects into effect.

But while the committee conceive that Mr. Stanley's determination puts an end to the project of a chartered colony, and though they would have very much preferred that mode of proceeding, they are of opinion that a Crown colony would be very desirable, provided that the Secretary of State in founding such a colony, should take effectual means to establish permanently, so as to leave no room for change by his successors, that system in the disposal of waste land, and the purchase-money of such land, which has been recommended by this association. But in the founding of a Crown colony, the difficulty is to obtain funds for the purpose of government. It is not to be expected that Parliament should make a grant of money for that purpose; so that unless some other means can be devised for raising the necessary funds, Mr. Stanley's objection to a chartered colony will amount to a decree against the colonization of South Australia.

But the committee are inclined to believe that other means for defraying the expenses of a Crown colony may be employed with effect. They conceive that if the proposed method of treating waste land and immigration were permanently established, and securities given for good government, the prospect of the success of the colony would be such as to afford a fair probability that persons in England would be ready to advance, upon the security of the future sales of land, and upon the security of the ordinary revenue of the colony, both a fund for supplying the richer colonists with labour until the immigration fund should be sufficient for that purpose, and a fund for defraying the charges of colonial government.

Their present view of the subjects, founded on the assumption that your letter of the 17th instant puts an end to the question of charter, is more fully explained by certain resolutions this day passed by the committee, of which I have the honour to enclose a copy.

The committee, then, compelled to abandon the project of a chartered colony, yet trusting that the Crown may be disposed to establish permanently for South Australia the best mode of treating waste land and immigration, beg you will be so good as to inform Mr. Stanley that if he should intimate to them his intention of permanently establishing by Act of Parliament, the system for the sale of land and immigration by them suggested, coupled with securities for good government, they will, as a private but temporary society, exert themselves to promote the success of the measure.

I have, &c.
(signed) *George Grote.*

Resolved—That Mr. Lefevre's letter to Mr. Whitmore of the 17th instant, leaves no hope that his Majesty's Government will consent to the foundation of a chartered colony in South Australia.

That in case his Majesty's Government will obtain from Parliament the authority necessary for planting a Crown colony in South Australia, provision being made in the Act for the permanent establishment of that mode of disposing of waste land, and of the purchase-money of such land, which has been recommended by this committee, coupled with provisions for good government, the South Australian Association shall continue its existence as a private and temporary society, for the purpose of promoting the success of the measure.

—No. 11.—

No. 11.
Draft of Act to frame Laws, &c.

DRAFT of ACT referred to in No. 12.

(Private.)

AN ACT to authorize his Majesty to frame Laws and appoint Officers for *South Australia*, and to appoint Commissioners for managing the Colonization of the said Province with respect to Waste Lands and Emigration; and for raising Funds for the purposes of Colonial Government.

WHEREAS that part of Australia which lies between the 132d and 141st degrees of east longitude, and between the Southern Ocean and the Tropic of Capricorn, together with the Islands adjacent thereto, consists of waste and unoccupied lands, which are supposed to be fit for the purposes of colonization; and whereas divers of His Majesty's subjects possessing amongst them a considerable property, are desirous to embark for the said part of Australia, and on the said waste and unoccupied lands to establish themselves as a permanent colony; and others of His Majesty's subjects, being in a state of great poverty and destitution, are desirous to accompany the said persons, and by them to be employed in reclaiming the waste lands of the said country, and bringing the same into a state of productive cultivation; and whereas it is highly expedient that His Majesty's said subjects should be enabled to carry their said laudable purpose into effect; and whereas, in divers colonies, serious evils have arisen from the want of any uniform and permanent system in the mode of disposing of the waste lands of such colonies, and it is expedient that in the said intended colony a uniform system in the mode of disposing of waste land should be permanently established; and whereas for the planting of a colony and the maintenance therein of peace, order and good government, the exercise of certain powers and authorities is required, and considerable costs, charges and expenses must be incurred; and whereas divers persons are willing to advance funds for the conveyance of poor persons to the said part of Australia, and for defraying the necessary costs, charges and expenses of governing the said intended colony, provided a uniform system for the disposal of waste lands in the said province be permanently established.

May it therefore please Your Majesty that it be enacted, and be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in the present Parliament assembled, and by the authority of the same, that all that part of Australia which lies between the 132d and 141st degrees of east longitude, and between the Southern Ocean and the Tropic of Capricorn, together with all and every the Islands adjacent thereto, be erected into one separate and independent province, by the name of "South Australia;" and that all and every person who shall at any time hereafter inhabit or reside within His Majesty's said province shall be free, and shall not be subject to or bound by any laws, orders, statutes or constitutions which have been heretofore made, or which hereafter shall be made, ordered or enacted by His Majesty, as the laws, orders and statutes, or constitutions of any other part of Australia, but shall be subject to and bound to obey such laws, orders, statutes and constitutions as shall from time to time, in the manner hereinafter directed, be made, ordained and enacted for the government of His Majesty's said province of South Australia.

And be it further enacted, that it shall and may be lawful for His Majesty, his heirs and successors, by an order or orders to be given by him or them, made with the advice of his or their Privy Council, to make, ordain (and subject to such conditions and restrictions as to him or them shall seem meet), to authorize or empower any three or more persons, resident and being within the said province, to make, ordain and establish all such laws, institutions or ordinances, and to constitute such courts and offices, and to impose and levy such rates, duties and taxes as may be necessary for the peace, order and good government of His Majesty's subjects and others within the said province.

Provided that all such Orders in Council, and all laws and ordinances so to be made as aforesaid, shall be laid before both Houses of Parliament, as soon as conveniently may be after the making and enacting thereof respectively, and that the same shall not in anywise be contrary or repugnant to any of the provisions of this Act.

And be it further enacted, that it shall and may be lawful for His Majesty, his heirs and successors, to constitute and appoint a Board of Commissioners, to be called, "The Commissioners of Waste Lands and Immigration for South Australia;" and that the proper duty and office of the said Commissioners shall be, to manage and dispose of the waste lands of the said province, and the funds obtained by the sale thereof: provided always, that no part of the waste lands of the said province shall be disposed of except by public sale, for ready money; and that the whole of the fund, from time to time received as the purchase-money of the said lands, shall constitute an immigration fund, and shall be employed in conveying poor persons from Great Britain and Ireland to the said province.

And be it further enacted, that the poor persons who shall by means of the said immigration fund be conveyed to the said province, shall, as far as possible, be adult persons of the two sexes in equal proportions.

And be it further enacted, that it shall and may be lawful for the said Commissioners, until the sale of waste lands in the said province shall have produced a fund sufficient to defray the cost of conveying to the said province, from time to time, such a number of poor persons as may by the said Commissioners be thought desirable, from time to time to borrow and take upon bond, or otherwise at interest, any sum or sums of money, for the sole purpose of defraying the cost of the passage of poor persons from Great Britain or Ireland to the said province; and all such sums of money so borrowed or taken up as aforesaid,

No. 11.

said, shall be borrowed on the credit of, and be deemed a charge upon, the whole of the fund to be obtained by the sale of waste lands in the said province; and it shall and may be lawful for the said Commissioners from time to time to appropriate all or any part of the income which may be obtained by the sale of public lands in the said province, in the payment of interest on any such sum or sums borrowed and taken up as last aforesaid, or to the repayment of such principal sum or sums.

And be it further enacted, that for defraying the necessary costs, charges and expenses (excepting always the purpose whereunto the said immigration fund is made solely applicable as aforesaid), it shall and may be lawful for the said Commissioners from time to time to borrow and take up on bond, or otherwise at interest, such sum or sums of money as His Majesty may require for the purposes aforesaid, upon the credit of the ordinary revenue, to be levied and collected as hereinbefore directed within the said province; and the amount of any sum or sums of money, by the said Commissioners borrowed and taken up as aforesaid, shall be deemed and taken to be a public debt, owing by the said province to the holders of such bond or bonds, or other security or securities, by the said Commissioners granted for the purpose aforesaid; provided always, that such sum or sums of money as shall be borrowed and taken up at interest as last aforesaid, shall not exceed in the whole the sum of £.

And be it further enacted, that as soon as the male adult population of the said province shall amount to , and the inhabitants of the said province shall, by means of a Representative Assembly (to be called by His Majesty, under such regulations and provisions as to His Majesty may seem meet), express themselves ready to liquidate the then existing debt owing by the said province to the holders of the bonds or securities aforesaid, and to provide for all the future costs, charges and expenses of governing the said province, then and in that case it shall and may be lawful for His Majesty, by and with the advice of his Privy Council, to frame, constitute and establish a constitution for the local government of the said province, in such manner, and with such provisoes, limitations and restrictions as shall by His Majesty, by and with the advice of his Privy Council, be deemed meet and desirable: provided always, that the mode hereinbefore directed of disposing of the public lands of the said province by the sale only, and of the fund obtained by the sale of such lands in the conveyance of poor persons to the colony, shall not be subject to alteration, but shall be deemed and taken to be, and the same is hereby declared to be, a fundamental article of the constitution or government of the said province.

—No. 12.—

COPY of a LETTER from *John Lefevre*, Esq. to *George Grote*, Esq. M.P.

No. 12.
J. Lefevre, Esq. to G. Grote, Esq. M.P. 15 April 1834.

Sir, Downing-street, 15 April 1834.

I HAVE received and laid before Mr. Secretary Stanley your letter to me of the 21st ult., and the resolution of the South Australian committee which it contained.

I have also brought under his notice the rough draft of an Act furnished to me by Mr. Gouger, which has been suggested as advisable to be brought in for the purpose of founding a colony in South Australia.

I am directed by Mr. Secretary Stanley to state to you that, approving of the general principles regarding emigration upon which the committee intended to found the proposed colony, he should not be unwilling to sanction the experiment, as defined in the draft of the Act before referred to (reserving to himself the power of suggesting such modifications as may appear to him to be necessary), if the following points could be satisfactorily established:

1st. That the district pointed out for the colony is favourable in point of soil, climate and water for the establishment of a colony.

2d. That there are persons willing to purchase lands in the colony to an amount of not less than 35,000 *l.*

3d. That there are persons willing to embark for the colony with a capital of not less than 50,000 *l.*

4th. That there are sufficient funds actually subscribed for and effectually guaranteed for the support of such parts of the establishment of the colony as may appear to his Majesty's Government to be absolutely essential (including a provision for religious instruction), during the periods and after the rates following; viz.

For the first three years	5,000 *l.*	per annum.
— next three years	8,000 *l.*	—
— next four years	10,000 *l.*	—

Mr. Stanley is well aware of the difficulty of satisfying this fourth condition, and he much doubts whether, upon the plan suggested in the draft for raising a loan for these purposes on the security of the current revenues of the colony, a sufficient fund could be obtained. At the same time, Mr. Stanley would not feel justified in consenting to the formation of any new colony at present, unless the revenues of the mother-country could be thus protected from all expenses incidental to it.

Mr. Stanley perceives that, without some provisional sanction of this scheme on his part, it would be almost impossible to ascertain the disposition of the public with respect to it; but

No. 12.
J. Lefevre, Esq. to Grote, Esq. M.P.
15 April 1834.

but he thinks that even such provisional sanction ought not to be given, unless he should be furnished with good grounds for believing that these points could be ascertained before a formal application should be made to Parliament on the subject.

Upon the several foregoing points, therefore, Mr. Stanley would be glad to see Mr. Whitmore, yourself, and any other three gentlemen of the committee who might think proper to accompany you, on Friday, the 18th instant, at one o'clock.

I have, &c.
(signed) *John Lefevre.*

—No. 12*.—

COPY of a LETTER from *R. Gouger*, Esq. to *John Lefevre*, Esq.

No. 12.*
R. Gouger, Esq. to John Lefevre, Esq.
17 April 1834.

South Australian Association, 7, John-street, Adelphi,
17 April 1834.

Sir,

As honorary secretary of the provisional committee of the South Australian Association, I have the honour to acknowledge the receipt of your letter of yesterday's date.

The same having been considered by a meeting of the committee held this day, they passed certain resolutions, of which I have the honour to enclose a copy, requesting that you will be so good as to lay it before Mr. Secretary Stanley before to-morrow at one o'clock, when a deputation, consisting of Mr. Whitmore, Mr. Grote, Mr. Clay, Colonel Torrens, Mr. Raikes Currie, Mr. Mills, and Mr. Pottinger, will have the honour of waiting upon Mr. Stanley.

I have, &c.
(signed) *Robert Gouger*, Hon. Sec.

Resolved—That the draft of an Act of Parliament, which has been delivered by Mr. Gouger to Mr. Lefevre as a private communication, and which is noticed in Mr. Lefevre's letter to Mr. Grote of the 16th instant, now read, be entered on the minutes.

That Mr. Whitmore, Mr. Grote, Mr. Clay, Colonel Torrens, Mr. Raikes Currie, Mr. Mills, Mr. Pottinger, and Mr. Gouger be requested to form the deputation to wait upon Mr. Stanley to-morrow.

That in the opinion of this committee, with reference to the four points which Mr. Stanley requires should be established, the deputation will be justified in stating,

As to the first point,—That while they remind Mr. Stanley that all the facts ascertained respecting the soil and climate of South Australia have been submitted by them to his inspection, they do not hesitate to communicate to him their persuasion, that those facts fully justify all reasonable assurance in the fitness of the soil and climate for colonization.

As to the second and third points,—That soon after it shall be known that His Majesty's Government have given a conditional sanction to the undertaking, in so far as to satisfy the public of its reality, there will in all probability be found persons ready to put down their names as future subscribers of 35,000*l.* for waste lands, and to furnish ample proof of their intention to take to the colony a capital of 50,000*l.*

As to the fourth point,—That in the event of the Bill passing into a law, no difficulty would be found in procuring a sum on loan sufficient to answer the current expenses of the colony, limited as they are by Mr. Stanley to

5,000*l.* per annum, for the first three years;
8,000*l.* - ditto - next three years;
10,000*l.* - ditto - for the four years following.

Such loan to be raised on the security of the colonial revenue.

—No. 13.—

COPY of a LETTER from the Committee of the *South Australian Association* to the Right Hon. *T. Spring Rice.*

No. 13.
Committee of South Australian Association to the Right Hon. T. Spring Rice.
4 June 1834.

7, John-street, Adelphi, 4 June 1834.

THE committee of the South Australian Association beg to represent to Mr. Secretary Rice, that the public undertaking in which they are engaged, and which has been matter of negociation with His Majesty's Government during the last five months, is suffering extremely from the delay which has occurred in giving to the measure, in an official shape, that sanction which the committee conceive it to have already obtained in the Colonial Office. The committee, therefore, take this opportunity of expressing their hope that Mr. Secretary Rice will have the goodness to turn his earliest attention to the previous correspondence between the committee and Mr. Secretary Stanley on this subject.

Referring to Mr. Lefevre's letter to Mr. Grote, of the 15th of April, to the answer of the committee, dated the 17th; to the interview also on the 18th of April, between Mr. Stanley and a deputation of the committee, at which Mr. Lefevre was present, and to the compliance by the committee on the 30th of April, with Mr. Stanley's only remaining wish, that they should fix on some price for public land as fit to be inserted in the proposed Act of Parliament, Mr. Secretary Rice will see that the committee are still waiting for that official communication which is conditionally promised to them in Mr. Lefevre's letter of the 16th of April.

More than a month has elapsed since the conditions on which that sanction was promised have been complied with. While the committee know, that during that period circumstances have prevented Mr. Stanley from giving any attention to this affair, they think it their duty, as well towards His Majesty's Government as to themselves, and to the persons who propose to settle in the new colony, to state to Mr. Secretary Rice, that if they are any longer prevented from announcing that the colony is to be founded as proposed, the departure of the first expedition will be postponed to the worst season for making a first settlement in the southern hemisphere; so that in point of fact (seeing how important it is that a new colony should be planted in the best season), mere delay may be the cause of disasters which none would regret more than His Majesty's Government.

No. 13. Committee of South Australian Association to the Right Hon. T. Spring Rice. 4 June 1834.

The committee intentionally avoid any mention of the principles and objects of the measure; because they conceive that these were approved by the Colonial Office, and they are unwilling to re-open a negotiation which was closed after having occupied several months. They address Mr. Secretary Rice only on the question of time; but in doing so they may add, that an official sanction of the general plan only, and not the details, which would remain open to modification before the Bill shall be brought into Parliament, is all that they require at present, in order that the colony may be founded with due preparation, and in a manner creditable to all the parties concerned.

They conclude, therefore, by earnestly requesting of Mr. Secretary Rice that he will be pleased to enable them, and the body of persons who intend to settle in the colony, to proceed with the numerous measures of preparation on which the success of the colony must depend.

— No. 14. —

COPY of a LETTER from *John Lefevre*, Esq. to *W. Whitmore*, Esq. M. P.

Sir, Downing-street, 17 June 1834.

No. 14. J. Lefevre, Esq. to W. Whitmore, Esq. M,P. 17 June 1834.

I AM directed by Mr. Secretary Spring Rice to acknowledge the receipt of a communication from the committee of the South Australian Association, dated the 4th instant, regarding the projected colony in South Australia; and I am to acquaint you that after an attentive perusal of the correspondence which has taken place between the committee and the colonial department on this subject, Mr. Spring Rice feels himself justified in signifying his intention to recommend to His Majesty's Government, that in case you should bring in a bill for the purpose of founding a colony in South Australia, upon the principles laid down in the rough draft of an Act of Parliament furnished by the secretary of the South Australian Association to myself, and adverted to in my letter to Mr. Grote of the 15th April last, His Majesty's Government should give the sanction to their measure, provided that before the second reading of the Bill it shall be made to appear to the satisfaction of His Majesty's Government that there are persons willing to embark for the colony with a capital of not less than 50,000*l.*; and provided also that there be contained in the Bill proper clauses for preventing its coming into operation, unless within a short time to be fixed by His Majesty's Government, the following conditions should be complied with (namely);

1st. That a sum of 35,000*l.* be vested in the names of trustees, or of the proposed Commissioners, for the purchase of lands in the colony.

2d. That sufficient funds should be provided by the issue of bonds, as proposed in the rough draft before alluded to, for the support of such part of the establishment of the colony as may appear to His Majesty's Government to be absolutely essential during the periods and after the rates following, *i. e.*: For the first three years 5,000*l.* per annum; for the next three years, 8,000*l.* per annum; for the next four years, 10,000*l.* per annum; and that of the funds thus to be provided, 20,000*l.* be actually paid up and vested in the public funds, or in Exchequer bills, in the names of trustees to be approved of by His Majesty's Government, as a guarantee fund for securing the punctual payment by the bondholders of the instalments which may be required from them. Mr. Spring Rice would further require, that as often as this fund of 20,000*l.* should be reduced to 15,000*l.*, by the application of any part of it for the support of the establishment of the colony, the bondholders should be compelled to pay such further instalments of the sums agreed to be advanced by them as should make up the fund to its original amount of 20,000*l.*

I am further directed to observe that Mr. Spring Rice desires to be considered as intimating no opinion upon the fitness of the district which the association have selected for the intended colony, which must of course be a matter upon which those who propose to emigrate must judge for themselves. I am also to add, that Mr. Spring Rice will deem himself at liberty to require the introduction of such provisions in the proposed Bill, as may upon further consideration appear to him necessary.

I am, &c.
(signed) *J. Lefevre.*

— No. 15. —

A BILL to erect *South Australia* into a British Province, and to provide for the Colonization and Government thereof.

No. 15.

1. WHEREAS that part of Australia which lies between the meridians of the 132d and 141st degrees of east longitude, and between the Southern Ocean and the Tropic of Capricorn, together with the Islands adjacent thereto, consists of waste and unoccupied lands, which are supposed to be fit for the purposes of colonization:

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And whereas divers of His Majesty's subjects, possessing amongst them a considerable property, are desirous to embark for the said part of Australia, and on the said waste and unoccupied lands to establish themselves as a permanent colony; and other of His Majesty's subjects, being in a state of great poverty and destitution, are desirous to accompany the said persons, and by them to be employed in reclaiming the waste lands of the said country, and bringing the same into a state of productive cultivation:

And whereas it is highly expedient that His Majesty's said subjects should be enabled to carry their said laudable purpose into effect:

And whereas, in divers colonies, serious evils have arisen from the want of any uniform and permanent system in the mode of disposing of the waste lands of such colonies, and it is expedient that in the said intended colony a uniform system in the mode of disposing of waste lands should be permanently established:

And whereas for the planting of a colony, and the maintenance therein of peace, order, and good government, the exercise of certain powers and authorities is required, and considerable costs, charges and expenses must be incurred:

And whereas divers persons are willing to advance funds for the conveyance of poor emigrants to the said part of Australia, and for defraying the necessary costs, charges and expenses of governing the said intended colony, provided adequate security be offered for the repayment of such advances:

And whereas the said persons deem the waste lands of the said intended colony an adequate security for the advances of money to be employed in the conveyance of labourers to the said province, and the ordinary revenue to be raised therein an adequate security for the advances of money to be employed for defraying the expenses of founding and providing for the good government of the said colony, provided a uniform system for the disposal of waste lands, and of the money to be obtained for the sale of such lands in the said province, be permanently established:

2. May it therefore please Your Majesty that it be enacted, and be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords spiritual and temporal, and Commons in Parliament assembled, and by the authority of the same, that all that part of Australia which lies between the meridians of the 132d and 141st degrees of east longitude, and between the Southern Ocean and the Tropic of Capricorn, together with all and every the Islands adjacent thereto, and the bays, and gulfs thereof, be erected into one separate and independent province, by the name of the Province of South Australia, and that all and every person who shall at any time hereafter inhabit or reside within His Majesty's said province shall be free, and shall not be subject to or bound by any laws, orders, statutes or constitutions which have been heretofore made, or which hereafter shall be made, ordered or enacted by, for, or as the laws, orders, statutes or constitutions of any other part of Australia; but shall be subject to and bound to obey such laws, orders, statutes and constitutions as shall from time to time in the manner hereinafter directed be made, ordered and enacted for the government of His Majesty's said province of South Australia.

3. And be it further enacted, that it shall and may be lawful for His Majesty, his heirs and successors, by any order or orders to be by him or them made, with the advice of his or their privy council, to make, ordain (and subject to such conditions and restrictions as to him and them shall seem meet), to authorize and empower any one or more persons resident and being within the said province, to make, ordain, and establish all such laws, institutions or ordinances, and to establish such courts, and appoint such officers, and to impose and levy such rates, duties and taxes as may be necessary for the peace, order and good government of His Majesty's subjects and others within the said province; provided that all such orders in council, and all laws and ordinances so to be made as aforesaid, shall be laid before both Houses of Parliament as soon as conveniently may be after the making and enacting thereof respectively, and that the same shall not in anywise be contrary or repugnant to any of the provisions of this Act.

4. And be it further enacted, that it shall be lawful for His Majesty, His heirs and successors, by warrant under the sign manual, to appoint three fit persons to be Commissioners to carry certain parts of this Act, and the powers and authorities hereinafter contained, into execution, and also from time to time at pleasure to remove any of the Commissioners for the time being, and upon every or any vacancy in the said number of Commissioners, either by removal or by death or otherwise, to appoint some other fit person to the said office, and until such appointment it shall be lawful for the surviving or continuing Commissioners or Commissioner to act as if no such vacancy had occurred.

5. And be it further enacted, that the said Commissioners shall be styled "The Colonization Commissioners for South Australia," and the said Commissioners, or any two of them, may sit from time to time, as they deem expedient, as a Board of Commissioners for carrying certain parts of this Act into execution.

6. And be it further enacted, that the said Commissioners shall cause to be made a seal of the said Board, and shall cause to be sealed or stamped therewith all rules, orders, and regulations made by the said Commissioners in pursuance of this Act, and all such rules, orders and regulations, or copies thereof, purporting to be sealed or stamped with the seal of the said Board, shall be received as evidence of the same respectively, without any further proof thereof; and no such rule, order or regulation, or copy thereof, shall be valid, or have any force or effect, unless the same shall be so sealed or stamped as aforesaid.

7. And be it further enacted, that the said Commissioners shall, and they are hereby empowered to declare all the lands of the said province to be public lands, open to purchase by British subjects, and to make such orders and regulations for the surveying and sale

sale by auction of such public lands at such upset price as the said Commissioners may from time to time deem expedient, and for the letting of the common of pasturage of unsold portions thereof, as to the said Commissioners may seem meet, and to employ the funds from time to time received as the purchase-money of such lands, or as rent of the common of pasturage of unsold portions thereof, in conducting the emigration of poor persons from Great Britain or Ireland to the said province: Provided always, that no part of the said public lands shall be sold except by public auction for ready money, at an upset price which in no case and at no time shall be less than the sum of 12*s.* sterling per English acre; provided also, that the sum per acre which the said Commissioners may declare during any period to be the upset price at which public lands shall be sold, shall be an uniform price, that is to say, the same price per acre, whatever the quantity or situation of the land put up for sale; provided also, that the whole of the funds from time to time received as the purchase-money of the said lands, or as the rent of the common of pasturage of unsold portions thereof, shall constitute an "Emigration Fund," and shall, without any deduction whatsoever, be employed in conveying poor emigrants from Great Britain or Ireland to the said province; provided also, that the poor persons who shall, by means of the said "Emigration Fund," be conveyed to the said province, shall, as far as possible, be adult persons of the two sexes in equal proportions, and not exceeding the age of 30 years.

8. And be it further enacted, that the said Commissioners shall, and they are hereby empowered to appoint such person or persons as they may think fit, with such salaries as the said Commissioners may deem necessary, to be the colonial commissioner and assistant surveyors, and other officers for carrying this Act into execution respecting the disposal of the said public lands, and to remove such colonial commissioner or assistant surveyors or other officers at their discretion; and on every or any vacancy in the said office of colonial commissioner, assistant surveyor, or other officer, by removal or by death or otherwise, to appoint, if they see fit, some other person to the said office.

9. And be it further enacted, that it shall and may be lawful for the said Commissioners to delegate to the said colonial commissioner, assistant surveyor, or other officer, or to any of them, such of the powers and authorities with respect to the disposal of the public lands of the said province, as the said Commissioners shall think fit; and the powers and authorities so delegated, and the delegation thereof, shall be notified in such manner, and such powers and authorities shall be exercised at such places, for such periods, and under such circumstances, and subject to such regulations as the said Commissioners shall direct; and the said Commissioners may at any time revoke, recal, alter or vary all or any of the powers and authorities which shall be so delegated as aforesaid.

10. And be it further enacted, that the said Commissioners may, and they are hereby empowered from time to time to appoint a secretary and all such clerks, messengers and officers as they shall think fit, with such salaries as the said Commissioners shall deem necessary, and from time to time, at the discretion of the said Commissioners, to remove such secretary, clerk, messenger, and officers, or any of them, and to appoint others in their stead.

11. And be it further enacted, that every Commissioner and colonial commissioner to be appointed from time to time, shall, before he shall enter upon the execution of his office, take the following oath before one of the Judges of His Majesty's Court of Common Pleas, or one of the Barons of the Court of Exchequer, or (in the case of such colonial commissioner) before the Judge of one of His Majesty's Courts in the said province; (that is to say)

"I, *A. B.*, do swear, that I will faithfully, impartially and honestly, according to the best of my skill and judgment, execute and fulfil all the powers and duties of a Commissioner [or colonial commissioner, as the case may be], under an Act passed in the fourth year of the reign of King William the Fourth, intituled [here set forth the title of this Act].

12. And be it further enacted, that the said Commissioners shall, once in every year, at such time and in such form as His Majesty's Principal Secretary of State for the Colonies shall direct, submit to the said Secretary of State a full and particular report of their proceedings; and every such report shall be laid before both Houses of Parliament within six weeks after the receipt of the same by the said Secretary of State, if Parliament be then sitting, or if Parliament be not sitting, then within six weeks after the next meeting thereof.

13. And be it further enacted, that it shall and may be lawful for the said Commissioners, previously and until the sale of public lands in the said province shall have produced a fund sufficient to defray the cost of conveying to the said province from time to time such a number of poor emigrants as may by the said Commissioners be thought desirable, from time to time to borrow and take up on bond or otherwise, at interest, any sum or sums of money for the sole purpose of defraying the cost of the passage of poor emigrants from Great Britain or Ireland to the said province, by granting and issuing to any person or persons willing to advance such monies, bonds or obligatory writings under the hands and seal of the said Commissioners, or of any two of them, which bonds shall be in the words or to the effect following; (that is to say)

South Australian Public Lands Bond.

Know all men by these presents, that we whose hands and seal are hereunto subscribed and set, being the Commissioners appointed by His Majesty under and for the purposes of an Act passed in the fourth year of the reign of King William the Fourth, intituled, "An Act to erect South Australia into a British Province, and to provide for the Colonization and Government thereof," do hereby acknowledge to have

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received of *A. B.* £. , which sum we promise to repay to the said *A. B.*, his executors, administrators, or assigns (by indorsement thereon), with interest at the rate of £. for 100*l.* by the year, by half-yearly payments, at London, on three months' notice to be given in writing either by the said Commissioners to the said *A. B.*, his executors, administrators, or assigns, or by the said *A. B.*, his executors, administrators, or assigns to the said Commissioners' secretary, or clerk, at their office aforesaid; and for the true payment thereof in manner aforesaid, we bind ourselves and our successors in the penal sum of 200*l.* In witness whereof the said Commissioners have caused their seal to be hereunto affixed, this day of 183 .

And all such sum or sums of money so borrowed or taken up by means of the bonds or writings obligatory aforesaid, for the sole purpose aforesaid, shall be borrowed on the credit of, and be deemed a charge upon, the whole of the fund to be received as the purchase-money of public lands, or as the rent of the common of pasturage of unsold portions thereof; and it shall and may be lawful for the said Commissioners from time to time to appropriate all or any part of the monies which may be obtained by the sale of public lands in the said province, to the payment of interest on any such sum or sums borrowed and taken up as aforesaid, or to the repayment of such principal sum or sums.

14. And be it further enacted, that for defraying the necessary costs, charges and expenses of founding the said intended colony, and of providing for the government thereof, (excepting always the purpose whereunto the said emigration fund is made solely applicable by this Act,) and for defraying all costs, charges and expenses incurred in carrying this Act into execution, and applying for and obtaining this Act, it shall and may be lawful for the said Commissioners from time to time to borrow and take up on bond or otherwise, at interest, not exceeding per cent., any sum or sums of money required for the purposes last aforesaid, not exceeding in the whole the sum of 200,000*l.*, by granting and issuing to any person or persons willing to advance such monies, bonds or obligatory writings, under the hands and seal of the said Commissioners, or any two of them, which bonds shall be in the words or to the effect following; (that is to say)

South Australian Colonial Revenue Bond.

Know all men by these presents, that we whose hands and seal are hereunto subscribed and set, being the Commissioners appointed under and for the purposes of an Act passed in the fourth year of the reign of King William the Fourth, intituled, "An Act to erect South Australia into a British Province, and to provide for the Colonization and Government thereof," do hereby acknowledge to have received of *A. B.* £. which sum we promise to repay to the said *A. B.*, his executors, administrators or assigns (by indorsement thereon), with interest at the rate of £. for 100*l.* by the year, by half-yearly payments, at London, on three months' notice to be given in writing, either by the said Commissioners to the said *A. B.*, his executors, administrators or assigns, or by the said *A. B.*, his executors, administrators or assigns, to the said Commissioners' secretary, at their office aforesaid; and for the true payment thereof in manner aforesaid, we bind ourselves and our successors in the penal sum of 200*l.* In witness whereof the said Commissioners have caused their seal to be hereunto affixed this day of 1834.

And all such sum or sums of money by the said Commissioners so borrowed and taken up as last aforesaid shall be, and is and are hereby declared to be a charge upon the ordinary revenue or produce of all rates, duties and taxes to be levied and collected as hereinbefore directed within the said province, and shall be deemed and taken to be a public debt owing by the said province to the holders of the bond or bonds, or other writings obligatory by the said Commissioners granted for the purposes last aforesaid.

15. And be it further enacted, that it shall and may be lawful for the said Commissioners at any time to borrow or take up any sum or sums of money, for any of the purposes of this Act, at a lower rate of interest than any security or securities previously given by them under and by virtue of this Act, which may then be in force shall bear, and therewith to pay off and discharge any existing security or securities bearing a higher rate of interest as aforesaid.

16. And be it further enacted, that the Commissioners nominated and appointed by his Majesty as aforesaid may sue and be sued in the names or name of any one of such Commissioners, or of their secretary, clerk or clerks for the time being, and that no action or suit to be brought or commenced by or against any of the said Commissioners in the name or names of any one of such Commissioners, or their secretary or clerk, shall abate or be discontinued by the death or removal of such Commissioner, secretary or clerk, or any of them, or by the act of such Commissioner, secretary or clerk, or any of them, without the consent of the said Commissioners, but that any one of the said Commissioners or the secretary or clerk for the time being to the said Commissioners, shall always be deemed to be the plaintiff or defendant (as the case may be) in every such action or suit: provided always, that nothing herein contained shall be deemed, construed or taken to extend to make the Commissioners who shall sign, execute or give any of the bonds or obligatory writings so hereby authorized or directed to be given personally, or their respective estates, lands or tenements, goods and chattels, liable to the payment of any of the monies so borrowed and secured, by reason of their giving any such bonds or securities as aforesaid, but that the costs, charges and expenses of every such Commissioner, secretary or clerk, by reason of having been made plaintiff or defendant, or for any

contract,

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contract, act, matter or thing whatsoever made or entered into in the *bonâ fide* execution of this Act, shall from time to time be defrayed by the said Commissioners out of the money so borrowed and taken up as aforesaid.

17. And be it further enacted, that no person or persons convicted in any court of justice in Great Britain or Ireland, or elsewhere, shall at any time, or under any circumstances, be transported as a convict to the said province.

18. And be it further enacted, that as soon as the inhabitants of the said province shall amount to 50,000 souls, and shall by a majority of a representative assembly (to be called by His Majesty under such regulations and provisoes as to His Majesty, by and with the advice of his Privy Council, may seem meet) express themselves ready to liquidate or take upon themselves the payment of the principal and interest of the then existing debt owing by the said province to the holders of the bonds, writings obligatory, or other securities aforesaid; (that is to say) "The South Australian Colonial Revenue Bonds," and to provide for all the future costs, charges and expenses of governing the said province, then and in that case it shall and may be lawful for His Majesty, by and with the advice of his Privy Council, to frame, constitute and establish a constitution of local government for the said province, in such manner and with such provisoes, limitations and restrictions as shall to His Majesty, by and with the advice of his Privy Council, be deemed meet and desirable; provided always, that the mode hereinbefore directed of disposing of the public lands of the said province by sale only, and of the fund obtained by the sale of such lands, and the rent of the common of pasture of unsold portions thereof, in the conveyance of poor emigrants to the said province, shall not at any time during which this Act shall remain in force be altered, varied or changed in any way whatsoever, but shall be deemed and taken to be, and the same are hereby declared to be, fundamental articles of the constitution and government of the said province.

19. And be it further enacted, that for the purpose of providing guarantee or security that no part of the expense of founding and governing the said intended colony shall fall upon the mother-country, the said Commissioners shall and are hereby empowered, out of the monies borrowed and taken up as aforesaid on the security of the said "South Australian Colonial Revenue Bonds," to invest the sum of 20,000*l.* (twenty thousand) in the purchase of Exchequer bills or other Government securities in England, and to hold the said Exchequer bills or other Government securities so long as may seem fit to His Majesty's Principal Secretary of State for the Colonies; provided always, that the interest and dividends accruing from time to time upon the said Exchequer bills or other Government securities shall by the said Commissioners be devoted to the purposes to which, as hereinbefore directed, the monies to be raised by the issue of the aforesaid "South Australian Colonial Revenue Bonds" are made applicable.

20. And be it further enacted, that until the said Commissioners shall by the granting and issuing of bonds and writings obligatory as aforesaid; (that is to say) "South Australian Colonial Revenue Bonds," have raised the sum of 20,000*l.*, and have invested the same in the purchase of Exchequer bills or other Government securities, as hereinbefore directed, none of the powers and authorities hereby given to His Majesty, or to the said Commissioners, or to any person or persons, except as respects the exercise by the said Commissioners of such powers as are required for raising of money by means of and on the security of the bonds and securities last aforesaid, shall be of any effect or have any operation whatsoever.

— No. 16. —

COPY of a LETTER from *John Lefevre*, Esq. to *William Whitmore*, Esq. M.P.

No. 16.
John Lefevre, Esq. to W. Whitmore, Esq. M.P.
12 July 1834.

Sir, Downing-street, 12 July 1834.

I HAVE laid before Mr. Secretary Spring Rice the Draft Bill to erect South Australia into a British Province, and to provide for the colonization and government thereof, and I have received his directions to acquaint you, that although the Bill is drawn in conformity with the rough drafts already submitted to this department, and the principles of which received Mr. Stanley's general approbation, as expressed in my letter of the 15th April to Mr. Grote, and although it is for the most part in conformity with the terms of my communication to you of the 17th June, yet the following points require alteration and modification.

1st. In the 4th section of the Bill, which enables His Majesty to appoint the Commissioners by a warrant under the sign manual, it should be stated that such warrant should be countersigned by the Secretary of State for the Colonies.

2d. The number of Commissioners should not be restricted to three.

3d. Section 7.—The Commissioners should have the power to alter and revoke the Regulations which may be framed under this clause.

4th. Section 7.—The emigration fund should be made liable for the expenses of the Board.

5th. Sections 8 & 10.—The Colonial Commissioners should be appointed by the Government; but the other appointments connected with a Board should be made by the Board. The salaries, however, of all persons to be appointed should be fixed by the Treasury, and to be recommended from time to time by the same authority.

6th. Section 9.—The end of this section, which provides that notwithstanding the delegation of the powers, &c. of the Commissioners, they should act as if no such delegation had been made, appears to be contradictory in itself, and should be omitted.

7th. Section 12.—The Commissioners should report to the Secretary of State as often as he thinks fit.

No. 16.
John Lefevre, Esq. to W. Whitmore, Esq. M.P.
12 July 1834.

8th. Section 14.—The fund arising from the sale of lands should be made a collateral security for the principal and interest of the revenue bonds, it being understood that the monies applied out of that fund, for this purpose, should be replaced out of the revenues of the colony as soon as possible.

9th. Section 18.—The money due upon the South Australian revenue bonds will obviously be a debt due from the colony from the very first.

Mr. Rice conceives, therefore, that it is by no means advisable, but on the contrary, that it would be prejudicial to the intended object of raising a loan, to insert in the Bill a provision for calling such a primary assembly as that suggested in this section, for the purpose of sanctioning the debt. It appears to Mr. Rice, that it would be proper to omit from this section all that relates to the primary assembly, and to modify the proviso attached to this section, by declaring that a due provision for the discharge of the revenue bonds and interest should be amongst the fundamental articles of the constitution.

10th. Sections 19 & 20.—This reserve fund should be invested in the names of trustees, to be appointed by the Crown; and those two sections should be so altered as to bring them in conformity with the terms expressed in my letter of the 17th June last.

The accounts of the Commissioners should be audited under the direction of the Treasury in the usual manner, and all monies under the control of the Board of Commissioners should be received and paid by treasurers, who should give security for the faithful discharge of their duties.

11th. Section 16.—This indemnity clause seems to Mr. Rice too extended in its operation, and will require Mr. Rice's further consideration.

12th. The preamble of the Bill should be materially curtailed. As it at present stands it lays down maxims, and censures alleged practices, with a generality necessarily involving error.

Moreover, it does not appear to be within the power of the Legislature to enounce political principles. In conclusion I am to state, that although Mr. Rice does not at present perceive any other points in the Bill which demand his notice, he shall feel no hesitation in suggesting, as the Bill proceeds, such further amendments as he may deem necessary.

I have, &c.
(signed) *John Lefevre.*

— No. 17. —

No. 17.

4 & 5 Will. 4, c. 95.—An Act to empower His Majesty to erect *South Australia* into a *British* Province or Provinces, and to provide for the Colonization and Government thereof.

15 August 1834.

Whereas that part of Australia which lies between the meridians of the 132d and 141st degrees of east longitude, and between the Southern Ocean and 26 degrees of south latitude, together with the Islands adjacent thereto, consists of waste and unoccupied lands which are supposed to be fit for the purposes of colonization; and whereas divers of His Majesty's subjects possessing amongst them considerable property are desirous to embark for the said part of Australia: and whereas it is highly expedient that His Majesty's said subjects should be enabled to carry their said laudable purpose into effect: and whereas the said persons are desirous that in the said intended colony an uniform system in the mode of disposing of waste lands should be permanently established; Be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords spiritual and temporal, and Commons, in this present Parliament assembled, and by the authority of the same, That it shall and may be lawful for His Majesty, with the advice of his Privy Council, to erect within that part of Australia which lies between the meridians of the 132d and 141st degrees of east longitude, and between the Southern Ocean and the 26 degrees of south latitude, together with all and every the islands adjacent thereto, and the bays and gulfs thereof, with the advice of his Privy Council, to establish one or more provinces, and to fix the respective boundaries of such provinces; and that all and every person who shall at any time hereafter inhabit or reside within His Majesty's said province or provinces shall be free, and shall not be subject to or bound by any laws, orders, statutes or constitutions, which have been heretofore made, or which hereafter shall be made, ordered or enacted by, for, or as the laws, orders, statutes or constitutions of any other part of Australia, but shall be subject to and bound to obey such laws, orders, statutes and constitutions as shall from time to time, in the manner hereinafter directed, be made, ordered and enacted for the government of His Majesty's province or provinces of South Australia.

His Majesty may establish one or more provinces in that part of Australia herein described.

II. And be it further enacted, that it shall and may be lawful for His Majesty, his heirs and successors, by any order or orders to be by him or them made, with the advice of his or their Privy Council, to make, ordain, and subject to such conditions and restrictions as to him and them shall seem meet, to authorize and empower any one or more persons resident and being within any one of the said provinces to make, ordain and establish all such laws, institutions or ordinances, and to constitute such courts and appoint such officers, and also such chaplains and clergymen of the Established Church of England or Scotland, and to impose and levy such rates, duties and taxes as may be necessary for the peace, order and good government of His Majesty's subjects and others within the said province or provinces; provided that all such orders, and all laws and ordinances so to be made as aforesaid, shall be laid before the King in Council as soon as conveniently may be after the making

His Majesty may empower persons resident in the colony to make laws.

Such laws to be laid before the King in Council.

making and enacting thereof respectively, and that the same shall not in anywise be contrary or repugnant to any of the provisions of this Act.

Commissioners may be appointed to carry this Act into execution.

III. And be it further enacted, that it shall be lawful for His Majesty, his heirs and successors, by warrant under the sign manual, to be countersigned by His Majesty's Principal Secretary of State for the Colonies, to appoint three or more fit persons to be Commissioners to carry certain parts of this Act and the powers and authorities hereinafter contained into execution, and also from time to time at pleasure to remove any of the Commissioners for the time being, and, upon every or any vacancy in the said number of Commissioners, either by removal or by death or otherwise, to appoint some other fit persons to the said office; and until such appointment, it shall be lawful for the surviving or continuing Commissioners or Commissioner to act as if no such vacancy had occurred.

Style of Board of Commissioners.

IV. And be it further enacted, that the said Commissioners shall be styled, "The Colonization Commissioners for South Australia;" and the said Commissioners, or any two of them, may sit from time to time, as they deem expedient, as a Board of Commissioners for carrying certain parts of this Act into execution.

All Proceedings to be sealed.

V. And be it further enacted, that the said Commissioners shall cause to be made a seal of the said Board, and shall cause to be sealed or stamped therewith all rules, orders, and regulations made by the said Commissioners in pursuance of this Act; and all such rules, orders, and regulations, or copies thereof, purporting to be sealed or stamped with the seal of the said Board, shall be received as evidence of the same respectively without any further proof thereof; and no such rule, order, or regulation, or copy thereof, shall be valid or have any force or effect, unless the same shall be so sealed or stamped as aforesaid.

Commissioners to make orders for the sale of land.

VI. And be it further enacted, that the said Commissioners shall and they are hereby empowered to declare all the lands of the said province or provinces (excepting only portions which may be reserved for roads and footpaths) to be public lands open to purchase by British subjects, and to make such orders and regulations for the surveying and sale of such public lands at such price as the said Commissioners may from time to time deem expedient, and for the letting of the common of pasturage of unsold portions thereof, as to the said Commissioners may seem meet, for any period not exceeding three years; and from time to time to alter and revoke such orders and regulations, and to employ the monies from time to time received as the purchase-money of such lands, or as rent of the common of pasturage of unsold portions thereof, in conducting the emigration of poor persons from Great Britain or Ireland to the said province or provinces: provided always, that no part of the said public lands shall be sold except in public for ready money, and either by auction or otherwise, as may seem best to the said Commissioners, but in no case and at no time for a lower price than the sum of 12*s.* sterling per English acre; provided also, that the sum per acre which the said Commissioners may declare during any period to be the upset or selling price at which public lands shall be sold shall be an uniform price, (that is to say), the same price per acre whatever the quantity or situation of the land put up for sale; provided also, that the whole of the funds from time to time received as the purchase-money of the said lands, or as the rent of the common of pasturage of unsold portions thereof, shall constitute an "Emigration Fund," and shall, without any deduction whatsoever, except in the case hereinafter provided for, be employed in conveying poor emigrants from Great Britain or Ireland to the said province or provinces; provided also, that the poor persons who shall, by means of the said "Emigration Fund," be conveyed to the said province or provinces shall, as far as possible, be adult persons of the two sexes in equal proportions, and not exceeding the age of 30 years.

Funds received as purchase-money to form a fund for conveying poor emigrants to the province.

No poor person to be allowed a passage from fund unless family also conveyed.

VII. And be it further enacted, that no poor person having a husband or wife (as the case may be), or a child or children, shall, by means of the said "Emigration Fund," obtain a passage to the said province or provinces, unless the husband or wife (as the case may be), or the child or children of such poor person, shall also be conveyed to the said province or provinces.

A resident Commissioner to be appointed.

VIII. And be it further enacted, that it shall be lawful for His Majesty, his heirs and successors, by warrant under the sign manual, to be countersigned by His Majesty's Principal Secretary of State for the Colonies, to appoint a commissioner of public lands to be resident in the said colony, and to act under the orders of the said Board of Commissioners as hereinafter directed.

Treasurer and oth officers may be appointed and removed.

IX. And be it further enacted, that the said Commissioners shall and they are hereby empowered to appoint such person or persons, as they may think fit, treasurer, assistant surveyors, and other officers, for carrying this Act into execution respecting the disposal of the said public lands and the purchase-money thereof, and to remove such treasurer or assistant surveyors or other officers at their discretion, and on every or any vacancy in the said office of treasurer, assistant surveyor, or other officer, by removal or by death or otherwise, to appoint, if they see fit, some other person to the said office.

Powers may be delegated to colonial commissioner.

X. And be it further enacted, that it shall and may be lawful for the said Commissioners to delegate to the said colonial commissioner, assistant surveyor, or other officer, or to any of them, such of the powers and authorities with respect to the disposal of the public lands of the said province or provinces as the said Commissioners shall think fit; and the powers and authorities so delegated, and the delegation thereof, shall be notified in such manner, and such powers and authorities shall be exercised at such places, for such periods and under such circumstances, and subject to such regulations, as the said Commissioners shall direct; and the said Commissioners may at any time revoke, recal, alter or vary all or any of the powers and authorities which shall be so delegated as aforesaid.

 XI. And

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Treasurers to receive and pay all monies, and to give ecurity.

XI. And be it further enacted, that all monies under the control of the said Board of Commissioners shall be received and paid by the treasurers who may be appointed by the said Board, and who shall give security for the faithful discharge of their duties to such amount and in such manner as to the same Commissioners may seem fit.

Accounts to be audited.

XII. And be it further enacted, that all accounts of the said treasurer shall be submitted to the Lords of His Majesty's Treasury, and be audited in the same manner as other public accounts.

Appointment of officers.

XIII. And be it further enacted, that the said Commissioners may and they are hereby empowered from time to time to appoint a secretary, treasurer, and all such clerks, messengers and officers as they shall think fit, and from time to time, at the discretion of the said Commissioners, to remove such secretary, treasurer, clerks, messengers, and officers, or any of them, and to appoint others in their stead.

Commissioners to take oath.

XIV. And be it further enacted, that every commissioner and colonial commissioner to be appointed from time to time shall, before he shall enter upon the execution of his office, take the following oath before one of the Judges of His Majesty's Court of Common Pleas, or one of the Barons of the Court of Exchequer, or (in the case of such colonial commissioners) before the Judge of one of His Majesty's courts in the said province or provinces; (that is to say)

> "I, *A. B.*, do swear, that I shall faithfully, impartially and honestly, according to the best of my skill and judgment, execute and fulfil all the powers and duties of a Commissioner [or Colonial Commissioner, as the case may be,] under an Act passed in the fifth year of the reign of King William the Fourth, intituled [here set forth the title of this Act]."

Salaries to be fixed by Lords of Treasury.

XV. Provided always, and be it further enacted, that the salaries to be paid to all such persons as may be appointed to any office under this Act shall be fixed by the Lords of His Majesty's Treasury, and by them shall be revised from time to time as they may deem expedient.

Proceedings of Commissioners to be reported to Secretary of State, and laid before Parliament.

XVI. And be it further enacted, that the said Commissioners shall, at least once in every year, and at such other times and in such form as His Majesty's Principal Secretary of State for the Colonies shall direct, submit to the said Secretary of State a full and particular report of their proceedings; and every such report shall be laid before both Houses of Parliament within six weeks after the receipt of the same by the said Secretary of State, if Parliament be then sitting, or if Parliament be not sitting, then within six weeks after the next meeting thereof.

Until sale of lands, money to be raised by bond for conveying out poor emigrants.

XVII. And be it further enacted, that it shall and may be lawful for the said Commissioners, previously and until the sale of public lands in the said province shall have produced a fund sufficient to defray the cost of conveying to the said province or provinces from time to time such a number of poor emigrants as may by the said Commissioners be thought desirable, from time to time to borrow and take up on bond or otherwise, payable by instalments or otherwise, at interest not exceeding 10 *l.* per cent. per annum, any sum or sums of money not exceeding 50,000 *l.*, for the sole purpose of defraying the costs of the passage of poor emigrants from Great Britain or Ireland to the said province or provinces, by granting and issuing to any person or persons willing to advance such monies, bonds or obligatory writings under the hands and seals of the said Commissioners or any two of them, which bonds or other obligatory writings shall be termed "South Australia Public Lands Securities;" and all such sum or sums of money not exceeding in the whole 50,000 *l.* so borrowed or taken up by means of the bonds or writings obligatory aforesaid, for the sole purpose aforesaid, shall be borrowed on the credit of, and be deemed a charge upon the whole of the fund to be received as the purchase-money of public lands, or as the rent of the common of pasturage of unsold portions thereof; and it shall and may be lawful for the said Commissioners from time to time to appropriate all or any part of the monies which may be obtained by the sale of public lands in the said province or provinces to the payment of interest on any such sum or sums borrowed and taken up as aforesaid, or to the repayment of such principal sum or sums.

Power to borrow money to pay expenses of colony.

XVIII. And be it further enacted, that for defraying the necessary costs, charges, and expenses of founding the said intended colony, and of providing for the government thereof, and for the expenses of the said Commissioners (excepting always the purpose whereunto the said emigration fund is made solely applicable by this Act), and for defraying all costs, charges and expenses incurred in carrying this Act into execution, and applying for and obtaining this Act, it shall and may be lawful for the said Commissioners from time to time to borrow and take up on bond or otherwise, payable by instalments or otherwise, at interest not exceeding 10 *l.* per centum per annum, any sum or sums of money required for the purposes last aforesaid, not exceeding in the whole the sum of 200,000 *l.*, by granting or issuing to any person or persons willing to advance such monies, bonds or obligatory writings under the hands and seals of the said Commissioners or any two of them, which bonds or other obligatory writings shall be termed "South Australia Colonial Revenue Securities;" and all such sum or sums of money by the said Commissioners so borrowed and taken up as last aforesaid shall be and is and are hereby declared to be a charge upon the ordinary revenue or produce of all rates, duties and taxes to be levied and collected as hereinbefore directed within the said province or provinces, and shall be deemed and taken

to

to be a public debt owing by the said province to the holders of the bond or bonds or other writings obligatory by the said Commissioners granted for the purposes last aforesaid.

Commissioners may reduce rate of interest.

XIX. And be it further enacted, that it shall and may be lawful for the said Commissioners at any time to borrow or take up any sum or sums of money for any of the purposes of this Act, at a lower rate of interest than any security or securities previously given by them under and by virtue of this Act which may then be in force shall bear, and therewith to pay off and discharge any existing security or securities bearing a higher rate of interest as aforesaid.

Lands of colony to be deemed a collateral security.

XX. And be it further enacted, that in case it should so happen that the said Commissioners shall be unable to raise by the issue of the said colonial revenue securities the whole of the said sum of 200,000*l.*, or that the ordinary revenue of the said province or provinces shall be insufficient to discharge the obligations of all or any of the said securities, then and in that case, but not otherwise, the public lands of the said province or provinces then remaining unsold, and the monies to be obtained by the sale thereof, shall be deemed a collateral security for payment of the principal and interest of the said colonial debt: provided always, that no monies obtained by the sales of public lands in the said province or provinces shall be employed in defraying the principal or interest of the said colonial debt, so long as any obligation created by the said South Australian public lands securities shall remain undischarged: provided also, that in case after the discharge of all obligations created by the said South Australian public lands securities, any part of the monies obtained by the sale of public lands in the said province or provinces shall be employed to discharge any of the obligations created by the said colonial revenue securities, then and in that case the amount of such deduction from the said emigration fund shall be deemed a colonial debt owing by the said province to the Colonization Commissioners for South Australia, and be charged upon the ordinary revenue of the said province or provinces.

Commissioners may sue and be sued in the name of one Commissioner or of their clerk or secretary.

XXI. And be it further enacted, that the Commissioners nominated and appointed by His Majesty, as aforesaid, may sue and be sued in the name or names of any one of such Commissioners, or of their secretary, clerk or clerks for the time being; and that no action or suit to be brought or commenced by or against any of the said Commissioners, in the name or names of any one of such Commissioners, or their secretary or clerk, shall abate or be discontinued by the death or removal of such Commissioner, secretary or clerk, or any of them, or by the act of such Commissioner, secretary or clerk, or any of them, without the consent of the said Commissioners, but that any one of the said Commissioners, or the secretary or clerk for the time being to the said Commissioners, shall always be deemed to be the plaintiff or defendant (as the case may be) in every such action or suit: provided always, that nothing herein contained shall be deemed, construed, or taken to extend to make the Commissioners who shall sign, execute or give any of the bonds or obligatory writings so hereby authorized or directed to be given personally, or their respective estates, lands or tenements, goods and chattels, or such secretary or clerk, or their or either of their lands and tenements, goods and chattels, liable to the payment of any of the monies so borrowed and secured by reason of their giving any such bonds or securities as aforesaid, or of their being plaintiff or defendant in any such action as aforesaid; but that the costs, charges and expenses of every such Commissioner, secretary or clerk, by reason of having been made plaintiff or defendant, or for any contract, act, matter or thing whatsoever made or entered into in the *bonâ fide* execution of this Act, from time to time be defrayed by the said Commissioners out of the money so borrowed and taken up as aforesaid.

Convicts not to be transported to the colony.

XXII. And be it further enacted, that no person or persons convicted in any court of justice in Great Britain or Ireland, or elsewhere, shall at any time, or under any circumstances, be transported as a convict to any place within the limits hereinbefore described.

A Constitution to be established when there shall be 50,000 inhabitants.

XXIII. And be it further enacted, that it shall and may be lawful for His Majesty, by and with the advice of his Privy Council, to frame, constitute and establish a constitution or constitutions of local government for any of the said provinces possessing a population of 50,000 souls, in such manner, and with such provisoes, limitations and restrictions as shall to His Majesty, by and with the advice of his Privy Council, be deemed meet and desirable: provided always, that the mode hereinbefore directed of disposing of the public lands of the said province or provinces by sale only, and of the fund obtained by the sale thereof, shall not be liable to be in anywise altered or changed otherwise than by the authority of His Majesty and the consent of Parliament; provided also, that in the said constitution of local government for the said province or provinces, provision shall be made for the satisfaction of the obligations of any of the said colonial revenue securities which may be unsatisfied at the time of framing such constitution of the said province or provinces.

20,000*l.* to be invested in Exchequer bills as a security upon the mother-country.

XXIV. And be it further enacted, that for the purpose of providing a guarantee or security that no part of the expense of founding and governing the said intended colony shall fall on the mother-country, the said Commissioners shall and are hereby empowered and required, out of the monies borrowed and taken up as aforesaid on the security of the said South Australian colonial revenue securities, to invest the sum of 20,000 *l.* in the purchase of Exchequer bills or other Government securities in England, in the names of trustees to be appointed by His Majesty; and the said trustees shall hold the said Exchequer bills or other Government securities so long as may seem fit to His Majesty's Principal Secretary of

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State for the Colonies; or shall, in case it shall seem fit to His Majesty's Principal Secretary of State for the Colonies, dispose of the same for any of the purposes to which the monies raised by the issue of the said South Australian colonial revenue securities are hereby made applicable: provided always, that if the said Secretary of State should dispose of any part of the said 20,000 *l.*, a sum or sums equal to the sum or sums so disposed of shall be invested in the names of the said trustees by the said Commissioners, so that the said guarantee or security fund of 20,000 *l.* shall not at any time be reduced below that amount: provided always, that the interest and dividends accruing from time to time upon the said Exchequer bills, or other Government securities, shall be paid to the said Commissioners, and by them be devoted to the purposes to which, as hereinbefore directed, the monies to be raised by the issue of the aforesaid South Australian colonial revenue bonds are made applicable.

If after 10 years from the passing of this Act the population shall be less than 20,000 natural-born subjects, lands to be liable to be disposed of by His Majesty.

XXV. And be it further enacted, that if after the expiration of ten years from the passing of thsi Act the population of the said province or provinces shall be less than 20,000 natural-born subjects, then and in that case all the public lands of the said province or provinces which shall then be unsold shall be liable to be disposed of by His Majesty, his heirs and successors, in such manner as to him or them shall seem meet: provided always, that in case any of the obligations created by the said South Australian public lands securities should then be unsatisfied, the amount of such obligations shall be deemed a charge upon the said unsold public lands, and shall be paid to the holders of such securities out of any monies that may be obtained by the sale of the said lands.

Powers of Commissioners not to commence until the money is raised, except for that purpose.

XXVI. And be it further enacted, that until the said Commissioners shall, by the granting and issuing of bonds and writings obligatory as aforesaid, that is to say, "South Australian colonial revenue securities," have raised the sum of 20,000 *l.*, and have invested the same in the purchase of Exchequer bills, or other Government securities, as hereinbefore directed, and until the persons intending to settle in the said province or provinces and others shall have invested (either by payment to the said Commissioners, or in the names of trustees to be appointed by them,) for the purchase of public lands in the said province or provinces, the sum of 35,000 *l.*, none of the powers and authorities hereby given to His Majesty, or to the said Commissioners, or to any person or persons, except as respects the exercise by the said Commissioners of such powers as are required for raising money by means of and on the security of the bonds or securities last aforesaid, and for receiving and investing the aforesaid sum of 35,000 *l.* for the purchase of public lands, shall be of any effect, or have any operation whatsoever.

—No. 18.—

COPY of a LETTER from *R. Torrens*, Esq. to the Earl of *Aberdeen*.

South Australian Office, 7, John-street, Adelphi.
13 February 1835.

No. 18.
R. Torrens, Esq. to the Earl of Aberdeen, 13 February 1835.

My Lord,

IN obedience to your Lordship's commands, I have the honour of submitting for your Lordship's consideration the names of gentlemen willing to act, under the Colonial-office, as Commissioners for carrying into effect the Act of Parliament for colonizing South Australia.

I have also the honour of enclosing a letter from Mr. Palmer, stating his willingness to act, should your Lordship be pleased to appoint him as one of the Commissioners; but, at the same time, expressing a wish to have the name of his son inserted in the Commission instead of his own.

Since the retirement of Mr. Wolryche Whitmore the executive functions which he performed as chairman, have fallen upon me. Having much more leisure, and perhaps I may venture to add, more knowledge of the object and principles of the proposed colony than the other gentlemen who are now willing to act as Commissioners, I am desirous, should the arrangement be approved and sanctioned by your Lordship, to continue, after the Commission shall be formed, to serve under the Colonial-office, as chairman, in the place of Mr. Wolryche Whitmore.

I have, &c.
Robert Torrens.

The Earl of Aberdeen, &c. &c. &c.

Colonel Torrens.
M. S. Mackinnon, Esq., M. P.
William Hutt, Esq., M. P.
George Palmer, Esq.
John Wright, Esq.
Jacob Montefiore, Esq.
Samuel Mills, Esq.
G. F. Angus, Esq.

No. 18.
R. Torrens, Esq. to the Earl of Aberdeen, 13 February 1835.

Dear Sir, Waring, 6 July 1835.

In reference to the conversation which I had with you yesterday, in regard to the Commission, under the Act passed in the last session for the settlement of the south coast of New Holland, and understanding that the same will involve no personal responsibility on the part of the Commissioners, beyond that of acting to the best of their judgment and abilities on the part of His Majesty's Government, in arranging for the proper settlement of the country in question; I should have no objection to the same, if His Majesty's Government should think fit to insert my name in the Commission; but I should feel much better satisfied myself if my son's name was inserted instead of my own; and from his time of life, the Commission would have more assistance from his services than I can have any reason to calculate upon giving them myself for any length of time, his age being near 40, and mine considerably on the wrong side of 60.

I have, &c.

Lieutenant-Colonel Torrens. (signed) *George Palmer.*

—No. 19.—

Copy of a LETTER from *R. W. Hay*, Esq. to *R. Torrens*, Esq.

No. 19.
R. W. Hay, Esq. to R. Torrens, Esq. 16 February 1835.

Sir, Downing-street, 16 February 1835.

I am directed by the Earl of Aberdeen to acknowledge the receipt of your letter to his Lordship of the 13th instant, inclosing the names of various gentlemen willing to act under his Lordship's authority as Commissioners for carrying into effect the Act of Parliament for colonizing Southern Australia.

Lord Aberdeen considers it to be an essential preliminary to the further discussion of this subject, that it should be distinctly understood whether the proposed Commissioners are or are not to be accountants to the Crown, and personally responsible for the receipt and application of the money to arise from the sale of lands in the proposed colony. By the 9th clause the power of appointing a treasurer and other officers, and of removing such treasurer and officers, and of appointing successors, is given to the Commissioners; and by the 11th section it is declared that all monies under the control of the Board shall be received and paid by the treasurers so appointed, who are to give securities for the faithful discharge of their duties to such amount, and in such manner as to the said Commissioners may seem fit. The following clause, the 12th, enacts, that all accounts of the treasurer shall be submitted to the Lords of Her Majesty's Treasury, and be audited in the same manner as other public accounts. The Act also gives to the Commissioners extensive powers of selling or leasing land, of receiving and applying the purchase-money or the rent, and of taking up large sums at interest. The 21st section absolves the Commissioners from personal liability to the lenders for any loans which they may so raise, or on any bonds which they may issue. But Lord Aberdeen does not perceive in this Act any declaration that the Commissioners shall not be accountable to the Lords of the Treasury for the receipts and payments effected by their treasurer with their order or concurrence. His Lordship presumes that all the money which they shall receive as Commissioners must be considered as part of the King's revenue, and that the Commissioners not being a corporate body, must be regarded only as His Majesty's agents (though appointed under the authority of Parliament) for the management, receipt and expenditure of that part of the revenue of the Crown. The treasurer being their nominee, liable to removal at their bidding, and by no other authority, and giving securities, subject only to their approbation, would seem to be, in effect, their agent, for whose acts they would be answerable to the Lords of the Treasury. In confirmation of this view of the subject, it may be noticed that the governor of New South Wales (in common with the governors of His Majesty's other colonies) is held responsible to the Lords of the Treasury, for all issues of money made by the colonial treasurer, with his sanction, although the colonial treasurer is appointed, and, when necessary, removed by the Crown, and enters into such securities as the Lords of the Treasury prescribe.

Lord Aberdeen being led to apprehend, from the terms of your letter, and from the language of the enclosures, that the gentlemen proposing to act as Commissioners consider themselves as completely irresponsible to the Lords of the Treasury, his Lordship thinks it right that their attention should be distinctly drawn to the question, in order that they may, if necessary, ascertain by consulting His Majesty's attorney and Solicitor-general, what would be the legal consequence in this respect, of their undertaking the proposed trust. You will have the goodness to understand that Lord Aberdeen does not intimate, as in fact he has not formed any decided opinion upon this matter, but thinks it of such essential importance and involved in such obscurity, as to require a solution of the question on the highest accessible authority, before the discussion advances further.

I have, &c.

(signed) *R. W. Hay.*

—No. 20.—

No. 20.
R. Torrens, Esq. to
R. W. Hay, Esq.
2 March 1835.

COPY of a LETTER from *R. Torrens*, Esq. to *R. W. Hay*, Esq.

South Australian Office, John-street, Adelphi,
2 March 1835.

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 16th ult., stating that Lord Aberdeen considers it to be an essential preliminary to further discussion respecting the proposed colony in Southern Australia, that it should be distinctly understood whether the proposed Commissioners are or are not to be accountants to the Crown, and personally responsible for the receipt and application of the money to arise from the sale of lands in the proposed colony; and that his Lordship thinks this matter of such importance, and involved in such obscurity, as to require a solution of the question on the highest possible authority.

In reply, I have the honour to state, that as several of the proposed Commissioners are acquainted, as well personally as professionally, with Mr. Freshfield, the solicitor for the Bank of England, and have confidence in his ability and legal knowledge; it was considered advisable, in the first instance, to apply to him for advice. I therefore placed the Act of Parliament, with your letter of the 16th ult., in the hands of Mr. Freshfield, and requested him to favour me with his opinion in writing, upon the several questions to which Lord Aberdeen desired that the attention of the proposed Commissioners should be called. Mr. Freshfield's answer I have now the honour to enclose.

Should the opinion of Mr. Freshfield be correct, it will follow, that no public money raised by the Commissioners under the provisions of this Act, can be either received or paid by them; that all such money must be received and paid by the treasurer; and that the Commissioners will have no power to order the treasurer to make any payments except for purposes specified by the Act.

Though by the Act of Parliament the treasurer is to be appointed and to be removable by the Commissioners, and is required to give such securities as they may think fit; yet, as the Commissioners are themselves to be the nominees of the Secretary of State for the colonies, and to be removable at his pleasure, they will merely be the agents of the Colonial Office, at all times subject to its authority and control, and will never be in a position to exercise their functions in appointing or removing the treasurer, or in taking the proper amount of securities, without the express sanction and direction of the Secretary of State and of the Lords of the Treasury.

I therefore respectfully submit, that the provisions of the Act of Parliament with respect to the treasurer may be complied with, and complete security afforded for the due application of such portions of the revenues of the Crown as may be raised under the authority of the Act, if the functions of the Commissioners with respect to the appointment of treasurer be limited to submitting, for the consideration of the Secretary of State for the Colonies, the name of a gentleman willing to co-operate with them in the capacity of treasurer, in giving effect to the regulated and self-supporting plan of emigration upon which the proposed colony is to be established, and prepared to give such securities for the faithful performance of the duties of his trust, as the Lords of the Treasury may prescribe.

I have, &c.

(signed) *R. Torrens.*

Dear Sir,

New Bank Buildings, 27 February 1835.

I HAVE carefully perused the Act 4 & 5 Wm. 4, c. 95, to empower His Majesty to erect South Australia into a British province, &c., and Mr. Hay's letter to you of the 16th instant.

It is distinctly stated by Mr. Hay, that "Lord Aberdeen has not formed any decided opinion upon this matter," otherwise I should have felt so much deference as to disincline me to express myself with any degree of confidence, and should have recommended an application to the law officers of the Crown; but taking Mr Hay's letter as an invitation to you to state the view entertained on your part, I have no hesitation in stating it as my opinion, that the Commissioners are not to be accountants to the Crown, nor responsible for the receipt and application of the money made subject to their control by the Act of Parliament; of course they would be liable for any personal corruption in the exercise of their powers, and for the application of the money to purposes not within the authority of the Act, but that liability is common to every person accepting a trust.

The Act of Parliament enables the Commissioners to sell lands, receive rents, and to raise money for the purposes of the Act by way of loan, but the 11th section expressly directs "that all monies under the control of the said Board of Commissioners shall be received and paid by the treasurer to me;" it therefore appears clear, that not only is the treasurer not the agent of the Board, but that in the receipt of the money he is a perfectly independent officer, whose receipt is absolutely necessary to discharge a purchaser or other person liable to pay money, and who, though acting under the control of the Commissioners, is bound by the terms of the Act of Parliament, and would not be warranted in applying money contrary to its directions.

The treasurer is to be appointed by the Commissioners, and to give such security as they may think fit, but it might be satisfactory to the colonial department to have it distinctly understood, that the Board would appoint any person, and to take any amount of security

to

to be proposed by the Secretary of State, or they may act in these respects subject to the approval of the Secretary of State, if that course is preferred.

No. 20.
R. Torrens, Esq. to R. W. Hay, Esq.
2 March 1835.

I would submit, that the case of the governors of His Majesty's colonies does not bear strictly upon the present question. The governors, by the orders they give, do in effect draw upon the colonial treasury for money, which becomes a charge upon them to be discharged by the regularity of the application, nor has the treasurer any means of knowing what is or is not a proper application of the money in his hands, and other reasons might be given to show the different relation in which persons holding that character stand to the Crown, and which, in my opinion, renders that necessary in the one case, while in the other it is virtually excluded by the Act of Parliament.

I return the papers.

I have, &c.
(signed) *J. W. Freshfield.*

Colonel Torrens,
&c. &c.

— No. 21. —

COPY of a LETTER from *R. W. Hay*, Esq. to the Honourable *J. Stewart*.

No. 21.
R. W. Hay, Esq. to Hon. J. Stewart,
7 March 1835.

16 February 1835.
2 March 1835.

Sir, Downing-street, 7 March 1835.

I AM directed by the Earl of Aberdeen to transmit to you, for the information of the Lords Commissioner of the Treasury, the copy of a letter addressed by his Lordship's desire to Lieut.-colonel Torrens, one of the gentlemen proposing to act under his Lordship's authority as Commissioners for carrying into effect the Act of Parliament for colonizing Southern Australia. I have further to transmit a copy of Colonel Torrens's answer to that communication, together with a copy of the Act above referred to.

The Lords Commissioners of the Treasury will not fail to observe, that the principal point of discussion to which this correspondence relates, is, whether the proposed Commissioners are, or are not, to be accountants to the Crown, and personally responsible for the receipt and application of the money to arise from the sale of lands in the proposed colony. The view taken of this question by the Earl of Aberdeen is so fully stated in the letter addressed by his Lordship's desire to Colonel Torrens, that it appears unnecessary that I should offer any further explanations to enable their Lordships to enter upon the consideration of this subject; and I have, therefore, only to express the desire of Lord Aberdeen, that you will take an early opportunity of laying the accompanying papers before their Lordships, with the request that they will be good enough to state for his information, in what sense, and to what extent, it is their opinion that the Commissioners to be appointed under the provisions of the Act of Parliament before referred to, should be held responsible for the receipts and payments effected with their order or concurrence by the treasurers of the settlement, who, as their Lordships will observe, are to be appointed by, and held responsible to the Commissioners, giving to them such securities as the latter shall think fit to require for the faithful discharge of their duties.

I am, &c.
(signed) *R. W. Hay.*

— No. 22. —

COPY of a LETTER from the Honourable *J. Stewart* to *R. W. Hay*, Esq.

No. 22.
Hon. J. Stewart to R. W. Hay, Esq.
4 April 1835.

Sir, Treasury Chambers, 4 April 1835.

I AM commanded by the Lords Commissioners of His Majesty's Treasury to transmit herewith copy of a report from the Commissioners of Audit, dated 30th ultimo, on your letter dated 7th ultimo, relative to the proposed settlement at South Australia. I have it in command to request you will state to the Earl of Aberdeen that my Lords concur in the opinion therein submitted to them by the Board of Audit, that so long as the powers vested in the South Australian Commissioners by the Act 4 & 5 Will. 4, c. 95, in regard to the monies to be raised and applied under its provisions, are duly exercised, and not exceeded by the Commissioners, they will not become personally responsible or accountable to the Crown for those monies.

I have, &c.
(signed) *J. Stewart.*

My Lords, Audit-Office, Somerset-place, 30 March 1835.

WE beg leave to acknowledge a letter from the Hon. J. Stewart, dated the 21st instant, transmitting to us a letter from Mr. Hay, and its enclosures, herewith returned, communicating to your Lordships the desire of the Secretary of State, to be informed in what sense and to what extent the Commissioners to be appointed under an Act 4 & 5 Will. 4, c. 95, for colonizing Southern Australia, should be held responsible for the receipts and payments to be effected by their orders or with their concurrence by the treasurers of the settlement; and Mr. Stewart desires us to report to your Lordships our opinion as to the party or parties

No. 22.
Hon. J. Stewart to R. W. Hay, Esq. 4 April 1835.

who are to be held responsible to the Crown under the provisions of the Act, for the proceeds of the land sales, and for rendering proper accounts of the proceeds, taking, if we should deem it necessary, legal advice on the subject.

Upon which we beg leave to report, that upon an attentive consideration of the provisions of the 4 & 5 Will. 4, c. 95, and also with reference to the general tenor of the provisions of law respecting the public accounts, and to the accounting for the receipt and expenditure of public money, it appears to us that the treasurer or treasurers whom the Commissioners are empowered to appoint under the 9th and 13th sections of the Act, and who are directed by the 11th section to receive and pay all monies under the control of the said Commissioners, are thereby (and one of them at least, if not both, also in a still more direct manner by the 12th section of the Act), constituted the accountants for all such monies, and will have to account for the receipt and application of the proceeds of all sales of land; and that the Commissioners in England, or their delegate in the colony, cannot be held personally liable, in respect of the receipt and appropriation of those funds, or called upon to account for the same, either to the Treasury, the Secretary of State, or the Governor, should the King appoint one.

We likewise apprehend that the Commissioners are not answerable to any other authority for the exercise of the discretionary authority vested in them in respect of such monies, so long as the same are appropriated in the manner and for the purposes directed by the Act, and the powers thereby vested in the Commissioners are not exceeded by them. But we are at the same time of opinion, that they might become personally liable for the amount of any surcharges in the treasurer's account, in respect of payments made by him under their authority out of the "Emigration Fund," contrary to the express provisions of the Act.

With regard to the monies to be raised in England on bond or otherwise under the provisions contained in the 17th, 18th, and last section of the Act (and which may apparently amount in all to 285,000*l.*,) until sufficient funds shall have been provided by the sale of lands or otherwise in the colony for the purposes of the Act, the Commissioners will, as we apprehend, become liable as accountants only in respect of such monies as may be paid to themselves; so that if they should appoint trustees as contemplated in the last section, with respect to the 35,000*l.*, and also a treasurer in England, where, as we apprehend, the principal expenditure will for some time necessarily take place, and where there must be an accountant or accountants independently of the treasurer in the colony, such treasurer or accountant in England will receive and disburse, under the authority and directions of the commissioners, the monies to be raised at home, and the Commissioners will not be otherwise responsible than for a due exercise of the authority vested in them, as to the appropriation of the funds.

With respect to any funds that may be raised in the colony otherwise than by sales of land, namely, by any local rates, taxes or duties, or by fees or fines, or in any other manner, it would seem, according to the provisions of the Act, "that all such revenues are to be imposed, raised, kept and expended by officers to be appointed by the Crown, and under rules and regulations to be made by such local and government authorities, and afterwards laid before the King in Council, so that the "Colonization Commissioners" would not incur any responsibility with regard to any such funds.

We beg leave to add, that having consulted with our solicitor, Mr. Walford, on the subject of your Lordships' communication, we find that he agrees generally in the opinion we have expressed, and we have not therefore thought it advisable, considering the delay which might thereby ensue, to direct him to submit the questions proposed to us by your Lordships to the law officers of the Crown.

We have, &c.
(signed) *F. L. Larpent.*
N. F. Luttrell.
Henry Arbuthnot.

To the Right Hon.
The Lords Commissioners of H. M. Treasury,
&c. &c. &c.

— No. 23. —

No. 23.
Rt. Hon. C. Grant to R. Torrens, Esq. 27 April 1835.

COPY of a LETTER from the Right Hon. *C. Grant* to *R. Torrens*, Esq. M. P.

Sir,

Downing-street, 27 April 1835.

I HAVE had under my consideration the letter which you addressed to the Earl of Aberdeen, under date of the 13th February last, submitting the names of certain gentlemen who are ready to act under this department as Commissioners for carrying into effect the provisions of the Act of Parliament for colonizing South Australia, and I have to acquaint you that I see no reason to doubt that the parties whose names are stated underneath, may with propriety be accepted by His Majesty's Government as members of the commission, viz.:

Lieut.-colonel Torrens, Chairman.
W. A. Mackinnon, Esq. M. P.
W. Hutt, Esq. M. P.
George Palmer, Esq. jun.
John Wright, Esq.
Jacob Montefiore, Esq.
Samuel Mills, Esq.
George Fife Angus, Esq.

Having

No. 23.
Rt. Hon. C. Grant to R. Torrens, Esq. 27 April 1835.

Having understood that it has been considered desirable to appoint a Commissioner who may be the representative of this department, I have selected Edward Barnard, esq., one of the agents-general for the colonies, and formerly agent for the Australian provinces, as a member of the commission.

I am, &c.
(signed) *C. Grant.*

—No. 24.—

COPY of a LETTER from *Rowland Hill,* Esq. to Sir *George Grey,* Bart. M.P.

South Australian Commission, 62, Lincoln's-inn-fields,
Sir, 22 May 1835.

No. 24.
R. Hill, Esq. to Sir G. Grey, Bart. M.P. 22 May 1835.

I AM directed by the Commissioners for South Australia to lay before you a copy of the correspondence between them and Colonel Napier.

I have, &c.
(signed) *Rowland Hill,* Secretary.

Gentlemen, London, 20 May 1835.

HAVING stated to Lord Glenelg that I cannot accept the government of the South Australian colony without troops, and the power to draw upon the British Government for money, in case of need, his Lordship begged of me to tell you my reasons for the resolution which I have formed. These reasons are as follows:

1st. With regard to the money. That while sufficient security exists for the supply of labour in the colony, and even forces that supply, there does not appear to be any security that the supply of capital will be sufficient to employ that labour; and, if it be not employed, the consequences must be disastrous. I therefore deem it necessary to have the means of meeting this and other accidents which cannot be foreseen, but which inevitably arise in the execution of all experiments; and the plan of this colony is an experiment.

2dly. With regard to soldiers. I will not attempt to govern a large body of people in a desert, where they must suffer considerable inconvenience (if not hardships), without I have a force to protect what is good against that which is bad; and such a force is the more necessary where, as in Australia, the supply of spirituous liquors will be abundant. The colony will be a small colony, without discipline, suffering more or less from privation, and with plenty of liquor. Experience has taught me what scenes this would produce, unless the leader had a controlling physical force.

Such are my demands, and my motives for making them. I admit that these dangers, as regards capital, may not arise; but unless there is proof that they cannot arise, they ought to be prepared for; and there is, in my opinion, no excuse for not being so prepared.

I have, &c.
(signed) *Charles James Napier,*
Colonel.

The Colonization Commissioners for South Australia,
&c. &c. &c.

South Australian Commission, No. 62, Lincoln's-inn-fields,
Sir, 22 May 1835.

I AM instructed by the Colonization Commissioners for South Australia to acknowledge the receipt of your letter of the 20th instant, stating that you have informed Lord Glenelg that you cannot undertake the government of the new colony, unless provided with troops and empowered to draw on the British Government for money, in case of need, and giving your reasons for this determination; and I am directed to inform you, that though the Colonization Commissioners for South Australia feel it to be their imperative duty to adopt arrangements, subject to the sanction of His Majesty's Government, for preserving order and securing obedience to the laws in the new colony, and also to provide against the possibility of the voluntary emigrants whom they may send out being exposed to destitution and want, yet they do not at present deem it expedient to detail the arrangements and provisions which they may hereafter, and upon mature deliberation, recommend for adoption. At the same time, they cannot withhold the expression of their opinion that your demand for a body of troops, and for a large sum of public money to be placed at your disposal, is at variance with the self-supporting principle upon which the new colony is to be established. The most flourishing British colonies in North America were founded without pecuniary aid from the mother-country, and without the aid of a military force, though planted in the immediate neighbourhood of warlike Indian nations. The Colonization Commissioners believe that the self-supporting principle, which proved so eminently successful with respect to the first British colonies in North America, will not, in South Australia, involve any of the dangers against which your demands are intended to provide.

I have, &c.
(signed) *Rowland Hill,* Secretary.

To Colonel Napier, C.B.,
88, High-street, Portsmouth.

—No. 25.—

Copy of a LETTER from *R. Torrens*, Esq. to Lord *Glenelg*.

No. 25.
R. Torrens, Esq. to Lord Glenelg, 14 Dec. 1835.

South Australian Colonial Office, Adelphi-terrace,
14 December 1835.

My Lord,

As the preliminary conditions of the Act of Parliament have been complied with, and as the preparations for the departure of the first expedition to South Australia are now rapidly advancing, the Commissioners are desirous of soliciting your Lordship's attention to the importance of completing the necessary appointments.

On a former occasion, the Board had the honour of requesting that your Lordship would be pleased to appoint Colonel Light to the office of Colonial Commissioner, and it was the intention of the Board to place him also at the head of the surveying department, but as the duties of the colonial commissioner will require an almost constant attendance at his office, while it is desirable that the principal surveyor should be generally in the field, it was subsequently thought advisable to separate the two appointments, and as Colonel Light is an experienced surveyor, the commissioners are desirous of confining his attention exclusively to the surveying department.

Another reason for this arrangement is, that Colonel Light is not yet returned from Egypt, and it is exceedingly important that the colonial commissioner should receive his instructions without delay.

The colonial commissioner being by these measures relieved from a part of his duties, it is thought that he may advantageously discharge those of registrar.

Should your Lordship approve of this arrangement, the commissioners would appoint Colonel Light first officer of the surveying staff, and encouraged by the kind attention your Lordship has hitherto paid to their suggestions, they venture to recommend the appointment of Mr. James Hurtle Fisher, solicitor, York-buildings, New-road, to the office of Colonial Commissioner and Registrar, and that of Mr. Charles Mann, solicitor, 24, Cannon-street, to the office of Advocate-general and Crown-solicitor.

They have selected these gentlemen in consequence of the very high testimonials they have received of their energy and ability, testimonials which have been fully borne out by the important services they have rendered in forwarding the objects of the commission.

The commissioners would also request permission to recommend Captain Lipson, R.N., to the appointment of naval officer and harbour-master; and they are anxious again to solicit your Lordship's kind attention to the application of Mr. Robert Gouger for the office of colonial secretary.

I have the honour to enclose a list of appointments above enumerated, together with some others which have already received your Lordship's consideration, and a second list, containing the appointments which the commissioners have considered it their duty to make in compliance with the Act of Parliament.

In submitting these two lists for your Lordship's approval, the commissioners are desirous of stating, that, while they have been anxious to omit no appointment important to the well-being of the colony, they have endeavoured to avoid an unnecessary multiplicity of offices.

With this view, they submit, for your Lordship's consideration, whether the duties of collector of revenue and Accountant-general may not be advantageously performed by the colonial treasurer, and those of the auditor-general by the commissioner of immigration.

They also take the liberty of suggesting that the Governor's secretary may be required to act as clerk of the Council.

Attached to each appointment is the salary which, after mature consideration, the commissioners are desirous of recommending.

In suggesting these salaries, the commissioners have kept in view the absolute necessity of reducing the charge on the colony as low as is consistent with obtaining the services of efficient men.

They would recommend that no fees be allowed in any office; that the salaries to the colonial officers shall not commence before arrival in the colony, but that such officers, with their families, shall receive a free passage.

Should your Lordship approve of the scale of salaries which the commissioners have ventured to suggest, they will rely on your Lordship's kindness to recommend it for adoption by the Lords of the Treasury.

The arrangements now submitted do not include those which relate to the police and permanent defence of the colony; these I hope to be able to lay before your Lordship shortly.

I have, &c.

(signed) *Robert Torrens.*

No. 25.
R. Torrens, Esq. to Lord Glenelg.
14 Dec. 1835

SCHEDULE (A.)

LIST of proposed Appointments for *South Australia*.

OFFICE	OFFICER.	SALARY.
		£.
Governor - - - - - -	- - Capt. Hindmarsh, R. N., with an allowance of 500 *l.* for outfit.	800
Colonial Commissioner and Registrar	James Hurtle Fisher, esq. - -	400
Colonial Secretary - - - - -	Robert Gouger, esq. - - -	400
Judge - - - - - - -	Henry Walter Parker, esq. -	500
Advocate-General and Crown Solicitor.	Charles Mann, esq. - - -	300
Naval Officer and Harbour-master -	Capt. Lipson, R. N. - - -	200
Governor's Secretary and Clerk of the Council.	—— Stevens, esq. - - -	200
Collector of Revenue and Accountant-General.	The Colonial Treasurer - -	(*see* Schedule B.)
Auditor-General - - - - -	The Commissioner of Immigration	(*see* Schedule B.)

SCHEDULE (B.)

OFFICE.	OFFICER.	SALARY.
	IN THE COLONY.	£.
Colonial Treasurer (*see* Schedule A.)	Osmond Gilles, esq. - - -	300
Commissioner of Immigration* (*see* Schedule A.)	John Brown, esq. - - -	250
Surveyors:		
First Officer - - - - - -	- - Col. Light (expected shortly to return to England).	400
Second Officer - - - -	G. S. Kingston, esq. - - -	200
Other Surveyors - - - -	- - Messrs. Finniss, O'Brien, Jacob, Symonds, Neale, and another, not yet appointed, 100 *l.* each.	600
	Two inferior Assistants, at 50 *l.* each, will probably be required.	100
Colonial Surgeon - - - -	John Heape, esq. - - -	100
Storekeeper to act under the Colonial Commissioner.	- - - - - - -	100
Clerk to ditto - - - - -	- - - - - - -	50

— No. 26.—

(No. 25.)

COPY of a DESPATCH from Lord *Glenelg* to Governor *Hindmarsh*.

No. 26.
Lord Glenelg to Governor Hindmarsh.
21 Feb. 1838.

Sir, Downing-street, 21 February 1838.

I ENUMERATE in the margin a series of despatches which I have received from you. All of them relate to the controversies in which the officers of Her Majesty's Government in South Australia have been engaged with each other since the first settlement of that colony; and indeed your communications have hitherto been confined almost exclusively to that subject. I am under the necessity of observing, that an attentive consideration of these dissensions, which are peculiarly unfortunate at the beginning of such an enterprize, has had the further painful consequence of impressing me and the South Australian Commissioners with the conviction that in such a state of feeling as exists amongst the various local authorities, it is impossible that the great national undertaking in which they are engaged should be conducted to a prosperous issue.

I transmit

* This officer will act as protector to the emigrant labourers; he will receive them on their arrival in the colony, supply their immediate wants, assist them in reaching the place of their destination, be ready to advise with them in case of difficulty, and at all times give them employment (at reduced wages) on the Government work, if from any cause they should be unable to obtain it elsewhere.

No. 26.
Lord Glenelg to Governor Hindmarsh.
21 Feb. 1838.

The Commrs. 22 Dec. 1837.
Mr. Stephen, 21 Feb. 1838.

I transmit for your information copies of a correspondence which has taken place on this subject between this department and the commissioners. It is with very great concern that I announce to you that in that correspondence you will find a declaration of my purpose to advise the Queen to relieve you of the administration of the government of South Australia. You will accordingly henceforth consider yourself as holding that office only until the arrival of your successor. The grounds of this decision are fully explained in the letter addressed by my desire to the commissioners.

I have to assure you of my deep regret that any circumstances should have rendered unavoidable the dissolution of my official relation with a gentleman whose claims to respect, both on public and on private grounds, I shall always be ready to acknowledge. I have yielded to nothing less than a sense of public duty, which I have discharged with the most unaffected reluctance.

I have, &c.
(signed) *Glenelg.*

South Australian Colonial Office, Adelphi-terrace,
22 December 1837.

My Lord,

The Colonization Commissioners for South Australia have the honour to acknowledge the receipt of Mr. Stephen's letters, dated 18 August and 21 September, enclosing despatches from Governor Hindmarsh, dated 11 February and 12 April, and stating that your Lordship would be glad to receive any observations which the commissioners might be desirous of offering thereon.

In reply the commissioners beg permission to state, that after a very careful perusal and consideration of these despatches and of the subsequent despatches of Captain Hindmarsh, dated from 30 May to 13 June, they are compelled reluctantly and with great regret to come to the conclusion that it has become their duty respectfully to recommend to your Lordship the recall of Captain Hindmarsh from the government of South Australia, and the appointment of a successor who understands the principles upon which the colony is founded, and can perceive the importance of co-operating with the commissioners in carrying these principles into effect.

I. The commissioners beg permission, in the first instance, to call your Lordship's attention to the conduct of Captain Hindmarsh, in interrupting the surveys and interfering with the selection of the site of the capital of South Australia, as that conduct is set forth by himself in his despatch of the 11th February and its enclosures.

As the South Australian Act provides that the surveying and the disposal of the public land of the province shall be vested in the commissioners, it was determined before Captain Hindmarsh applied for the office of governor, that the responsibility of selecting the situation on which the first surveys should be made, and the first town laid out, should rest exclusively with the surveying officer appointed by the commissioners. This arrangement, to which Colonel Napier had offered no objection, Captain Hindmarsh opposed, urging that the selection of the situation which should be first settled, and on which the first town should be laid out, ought to be vested in the governor. But when Captain Hindmarsh pressed these views on the commissioners, it was distinctly stated and explained to him that he was seeking for an extension of power inconsistent with the principles of the colony; and that a governor of South Australia must be content to receive and to hold his appointment, subject to the condition of non-interference with the officers appointed to execute the surveys and to dispose of the public land. The commissioners perceive with great concern that the despatches of Governor Hindmarsh detail a series of acts at variance with these fundamental principles of the colony. On the 24th of December, Governor Hindmarsh arrived in Port Lincoln, and being there informed that the surveyor-general had found a good anchorage on the eastern coast of Gulf St. Vincent, the locality to which hopes in England had been pointed, he proceeded to join the surveyor-general. On the 27th of December he reached the eastern coast of Gulf St. Vincent, and was informed that the site of the capital had been selected by the surveyor-general, and on the 28th he took possession at Glenelg, and issued the proclamation establishing the government of the province.

The sites of the first settlement and of the capital having been thus determined in conformity with the instructions of the commissioners, they conceive that the executive government was precluded by the principles of the colony from interfering in any way with the locality of either. Unfortunately, Governor Hindmarsh has thought differently, and his despatches narrate a continued interference which the commissioners cannot but consider as an unconstitutional interference with the proper functions of the resident commissioner and surveyor-general.

He commences by urging Colonel Light on every visit to depart from his instructions, by laying out two towns instead of one; and he expresses his displeasure because the resident commissioner stated that this could not or should not be done. On the 19th of January, he interrupts the surveys, by ordering the surveyor-general to attend the council and report upon the harbour. On the 6th of February, he orders that officer to suspend his most important duties, and to undertake those of the harbour-master, and on the 10th of February, he calls a public meeting of landholders, their representatives, and all persons interested; and addresses a letter to this assemblage, urging them to require the resident commissioner to act contrary to his instructions, and to lay down two townships instead of one. These are the facts which Captain Hindmarsh has himself stated in his despatches.

Exigencies may arise requiring vigour beyond the law. Cases may occur in which the magnitude of the evil to be prevented, or of the good to be obtained, may justify the exercise of

No. 26.
Lord Glenelg to Governor Hindmarsh.
21 Feb. 1838.

of unconstitutional and illegal power. The colonization commissioners, however, cannot deduce any such justification from the informations supplied by Governor Hindmarsh. They are of opinion, that the objects for which their regulations and instructions were set aside, were not beneficial, but injurious.

1. An inspection of the map of New Holland is sufficient to demonstrate that the port of the Murray must become not only the capital of South Australia, but the commercial metropolis of the western districts of New South Wales, and the hopes and anticipations of every settler who understood the geographical position of the new province, were sufficiently realized when the surveyor-general discovered on the eastern coast of Gulf St. Vincent a harbour communicating with a country of superior fertility, not more than 40 miles distant from the valley of the Murray, and apparently extending into it. The commissioners are therefore of opinion, that no beneficial result was attainable by calling a public meeting to consider whether the first settlement and capital should be removed to any situation out of Gulf St. Vincent, the location to which, as Governor Hindmarsh states in his first despatch, "our hopes in England had been pointed."

2. By the regulations for the disposal of land, established by the commissioners, one town, consisting of 1,000 acre sections, was to be laid out by the surveyor-general, and the selection of all the secondary towns of the province was left open to the enterprise of the purchasers of land: under these regulations it was not necessary that the surveyor-general should lay down acre sections at Port Adelaide, in order to secure the erection of a secondary town upon the harbour. Had the whole of the land in the neighbourhood of the harbour been laid out in country sections, as it ought to have been, the sites required for wharfs and warehouses would have immediately risen in value, and the original proprietors would have sold them as building-ground at increasing prices. Individuals would have had to pay something more for a site on which to erect a wharf or warehouse, or an inn, but this rapid increase in the value of land would have attracted capital to the colony, and have thus realized the benefit which the commissioners contemplated in leaving the laying out of secondary towns to individual enterprise.

The commissioners, moreover, conceive that this unauthorized departure from their regulations, relative to the sale of land in the colony, may tend to prejudice or prevent future sales to parties in this country, who, if acquainted with the proceedings which have taken place, may not unreasonably hesitate to rely on the strict observance, on the part of the commissioners and their functionaries, of the promulgated conditions under which the land may be sold.

Captain Hindmarsh considers that the view which he took on the occasion was the correct one, because the general meeting of proprietors which he called came to an unanimous vote on the question of surveying a secondary township at Port Adelaide. The commissioners conceive that, under the circumstances by which it was obtained, the unanimous vote amounts to a moral demonstration, that the interference with the surveys was not beneficial but pernicious. Amongst those who attended that meeting, were persons who understood and approved of the constitution of the colony, and who were aware of the advantages of attracting capital by leaving the establishment of the secondary towns to individual enterprise. Why did those persons vote against their own convictions in favour of an illegal proposition for setting aside the regulations of the commissioners, and laying out two townships instead of one? Captain Hindmarsh has supplied the answer. He says, (*vide* letter to the public meeting,) "that to retard the survey would be ruin to many; not a seed is set in the ground, nor will be until you are on your land; I suggest, as a remedy, that half the town-acres should be surveyed near the harbour. Some such arrangement is, I confess, the only course which occurs to me as likely to meet the case." And he states (*vide* marginal note to Colonel Light's report) that he had "made up his mind not to assent unless some land was surveyed near the harbour," in the manner he required. Thus it appears from Captain Hindmarsh's own showing, that the public meeting was under the necessity of voting in favour of his propositions in order to set at rest the question at issue between him and the resident commissioner, and to put an end to that interference with the functions of the surveyor-general which was preventing them from establishing themselves on their lands and was "bringing ruin upon many." It appears to the commissioners, that the unanimous vote thus obtained, instead of being a justification of the conduct of Governor Hindmarsh, furnishes a corroborative proof that that conduct was impolitic and unjust.

II. The commissioners now proceed to address themselves to the despatch, dated Glenelg, 12th April, in which Governor Hindmarsh "lays before your Lordship certain details which affect the free and harmonious working of the commissioners' authorities in the province with those of Her Majesty's Government." There is, as the commissioners conceive, a simple and obvious practical rule, by the observance of which, the free and harmonious working of the several authorities established in the province may at all times be maintained. As the South Australian Act vests in the commissioners the unappropriated land of the province, and as they cannot convey more than they possess, they must have, with respect to the waste lands before they are conveyed to private parties, the same independent rights and powers, as against the executive government, which private parties possess with respect to their lands after they have been conveyed to them. The practical rule, therefore, is, that the executive government of South Australia should deal with the unappropriated lands vested in the commissioners in the same way in which it deals with the appropriated lands vested in the private parties; according to this rule (and the commissioners apprehend that under the Act of Parliament no other definite rule can be drawn), every act of interference which would be illegal if exercised with respect to lands held as private property by indi-

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viduals, must be equally illegal when exercised with respect to lands held as public property by the commissioners. Unfortunately, Captain Hindmarsh, while he admits in his despatch that it is a cardinal principle of the colony that the commissioners' representatives are to have free control over the survey, and the disposal of the land, appears altogether regardless of the practical rule by which alone that principle can be brought into effectual operation.

In the several instances adduced by Captain Hindmarsh to substantiate the accusations which he brings against the resident commissioner, the board of commissioners are of opinion that their representative acted in conformity with the principles of the colony, and in obedience to his instructions.

The seamen of the Buffalo cut down timber upon the public land, and in so doing, committed, though probably through ignorance, an act of trespass and depredation, inasmuch as the purchasers of the land are, by the terms of their contract, the purchasers of the timber upon it. Of this act of trespass and depredation, the more dangerous in its example because committed by persons under the military command, and in the employ of the governor, the resident commissioner most properly complained, and it was the obvious duty of the executive authority to give all possible countenance and support to the resident commissioner in protecting the property of the settlers. But in the judgment of Captain Hindmarsh, the conduct of the resident commissioner in protecting the property of the settlers, appeared to be an act of hostility to the executive government of so serious a character, as to be made a subject of formal complaint in a despatch to the Secretary of State.

2. In the instructions issued by the board of commissioners to their representative in the colony, the resident commissioner is enjoined to keep the banks of all rivers, lakes and navigable waters open to the public. Captain Hindmarsh, though furnished with a copy of these instructions, calls upon the resident commissioner to depart from them by extending the Government domain so as to include the banks of the river. Mr. Fisher, instead of complying with this demand, performs his duty by obeying his instructions and protecting the rights of the public, and Captain Hindmarsh represents this meritorious conduct of the resident commissioner as one of the serious offences "affecting the free and harmonious working of the commissioners' authorities in the province with those of Her Majesty's Government."

III. The question raised by Captain Hindmarsh respecting the authority in which the power of naming places in the colony resides, though insignificant in itself, yet involves consequences connected with the means of describing boundaries and of making out titles which render it not unimportant. Captain Hindmarsh is undoubtedly correct in maintaining that the power of giving names to places on the unappropriated lands of the province is a prerogative of the Crown; but the question is, whether the exercise of the prerogative has been delegated to the governor of the province or to Her Majesty's commissioners.

On the principle that the Governor has no more right of interference with the unappropriated land vested in the commissioners than with the appropriated land vested in private parties, the power of giving names to the public lands of the province must be considered as delegated to the commissioners.

On the same principle that Captain Hindmarsh did not interfere with the South Australian Company in selecting the site and names of their buildings in the town of Kingscote, he ought not to have interfered with the commissioners with respect to site and names in Adelaide. In strictness of principle, therefore, the right of naming was in the resident commissioner; and as regards practical consequences, he had sufficient reason for asserting it. In dealing with the unappropriated lands remote from the seat of government, he could not convey them without describing them, and he could not describe them without employing names, and if the Governor of the province were to possess the right of altering the names under which the lands were described and conveyed, confusion and uncertainty as to the titles to landed property would in all probability be created.

IV. The commissioners are now compelled to request your Lordship's attention to an instance of neglect of duty on the part of Captain Hindmarsh, which has been productive of consequences very injurious to the colony. Captain Hindmarsh was proclaimed Governor on the 28th December. He did not proclaim the harbour to be a legal port until the 25th May. The colony was thus deprived of a legal port for the space of five months, during which period ships were frequently arriving as well from England as from the neighbouring colonies. Some of the captains refused to take their vessels up the harbour, others went in under protest; policies of insurance were liable to be made void, and risk and loss were wantonly incurred. The colonists were kept in a state of uncertainty and suspense. They saw themselves deprived of a legal port by one arbitrary act; apprehensions were excited lest by another exertion of power the seat of government might be removed to Port Lincoln, and confidence was weakened and exertion paralysed. For the infliction of this injury on the colony, not even a plausible reason has been assigned. On the 7th April the resident commissioner addressed a letter to the colonial secretary, again calling attention to the proclamation of the port, and claiming the right to give names to the adjoining lands; and on the 10th April the colonial secretary replied by desire of the Governor, that "under the circumstances the proclamation of the port is necessarily delayed." The claim of the resident commissioner to give names to the land was not mooted until the 7th April, and could not by possibility have been the cause which delayed the proclamation of the port in December, in January, in February, and in March.

The conduct of Captain Hindmarsh, as detailed in his despatches dated February 11th and April 12th, his interference with the site of the first settlement, his interruption of the surveys,

No. 26.
Lord Glenelg to Governor Hindmarsh.
21 Feb. 1838.

surveys, his compliance with a requisition to call a public meeting for the avowed object of setting aside the authority delegated to the surveyor-general, his letter to that assemblage urging them to demand a departure from the regulations established by the commissioners for the disposal of land, his delaying to proclaim the port, and his several charges against the resident commissioner for conforming to the principles of the colony and acting in obedience to his instructions,—this conduct had given several members of the commission the impression, even before the arrival of the series of despatches from the 30th of May to the 10th of June inclusive, that it would be expedient to recommend the recall of Captain Hindmarsh. The perusal of these last despatches has confirmed the previous impression, and caused the commissioners to come to the unanimous opinion that it has become their duty respectfully to represent to your Lordship that the interests and safety of the colony require that recall. Captain Hindmarsh appears upon his own showing to be incapable of carrying on the government; with the exception of the judge and of the harbour-master, he is more or less at variance with all the official functionaries of the colony, whether belonging to the government or to the commission. He has applied for the removal of five of the principal officers, three of them being members of the council; he has caused the principal and most influential settlers to come forward as the opponents of his measures. Mr. Hack, an enterprising capitalist, belonging to the society of friends; Mr. Morphett, who represents nearly one-fifth of the landed proprietors of the colony, and the Messrs. Stevens, the agents of the South Australian Company; he has endangered the safety of the province by rejecting the police force and militia staff, which the commissioners proposed to supply; and he has thrown the finances into disorder and embarrassment, by incurring unauthorized expenses, and by drawing upon the Lords of the Treasury. In the preceding comments upon the conduct of Captain Hindmarsh, the commissioners have not travelled out of his own despatches, but have taken the facts as stated by himself.

The commissioners, however, are compelled to observe that, yielding too easy a confidence to the representations of ignorant or designing persons, Captain Hindmarsh on several occasions has not been sufficiently careful to ascertain the correctness of the facts which he reports upon his official authority.

1. In his despatch dated April 12th, Captain Hindmarsh says, "The commissioners have provided by an act of delegation for the resident commissioner's successors in office in the event of his demise. How far the commissioners have a right to delegate upon demise, a nomination belonging to His Majesty, your Lordship will perhaps have the goodness to say, and to direct me as to the steps in such an event it will be my duty to take."

The commissioners beg to assure your Lordship that they have not "provided for the resident commissioner's successors in office," and that they have not assumed the right to delegate upon demise a nomination belonging to Her Majesty. The 10th section of the South Australian Act authorizes the commissioners to delegate to the colonial commissioner, assistant surveyor or other officer, or to any of them, such of the powers and authorities with respect to the disposal of the public lands as the commissioners shall think fit; and the commissioners, in conformity with this provision of the Act, have delegated their powers, first, to the colonial commissioner, and in the event of his demise, first to the surveyor-general, then to the colonial secretary, and then to the emigration agent. Captain Hindmarsh was furnished with a copy of the instructions containing these acts of delegation.

2. Captain Hindmarsh, in his despatch of the 12th of April, asserts that "the commissioners in their instructions to Mr. Fisher, recommended him to place the stores, bullocks, &c. under the charge of the government." In these instructions to Mr. Fisher, copies of which were furnished to the governor, the commissioners did not recommend that the stores should be placed under the charge of the government; their instructions respecting the custody of the stores was in the following words:—"It may perhaps relieve you of much trouble and responsibility, if the articles intended for use in the different departments of the colonial government, and even those intended for the use of the colonists generally, are placed under the control of the governor and council. The commissioners give you full authority to adopt such an arrangement, if it should appear to you desirable."

3. The commissioners made an application to your Lordship to the effect that the governor might be sent out in a vessel of war, upon the understanding that the repayment of the expense thereby incurred should be deferred for five years; and when, on the earnest solicitation of Captain Hindmarsh, they renewed their application for the Buffalo, they abstained from inserting in their official communication the understood condition of deferred repayment, because Captain Hindmarsh repeatedly stated to the board, that in his conferences with the Lords of the Admiralty, he was led to believe, that if the commissioners withheld from agitating the question the repayment would never be required. The Buffalo had scarcely departed when the commissioners discovered the slender foundations upon which the confident statements of Captain Hindmarsh were built.

4. When it was ascertained that the Buffalo was not to take out a party of 60 marines for the defence of the colony as at first applied for, the expediency of employing that vessel became a question of comparative expense; and the commissioners, before they acceded to the earnest solicitations of Captain Hindmarsh to renew their application for her, reques ed him to furnish them with an estimate of the number of emigrants which the Buffalo could convey, together with the cost. Captain Hindmarsh gave in his estimate to the board. It stated that the Buffalo could accommodate 160 steerage passengers, and that the cost would be 2,365*l.* The Buffalo was capable of accommodating only 68 adults and 48 children, equivalent to 102 steerage passengers, and the cost already claimed amounts to 4,801*l.* 7*s.* 2*d.*

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21 Feb. 1838.

5. Captain Hindmarsh states, that Mr. Kingston, the deputy surveyor-general, is deficient in professional knowledge, and incompetent to perform the duties of his situation, and that on these grounds he had intended to apply to your Lordship recommending the removal of Mr. Kingston.

Since Mr. Kingston's arrival in this country, the commissioners have requested an officer high in the department of the trigonometrical survey to examine Mr. Kingston as to his professional attainments, and the report of that officer is, that Mr. Kingston is fully qualified to execute the duties of the situation which he holds.

Captain Hindmarsh has stated that Mr. Brown, the emigration agent, proposed in the Adelphi-chambers a vote of censure against Lord Glenelg.

The resolution which Mr. Brown did propose on the occasion referred to, was to the effect that the colonists regretted that a chaplain had been appointed with a salary to be drawn from the public revenue of the colony, inasmuch as the colonists had entered into a voluntary subscription for the support of their own religious teachers.

In conclusion, the commissioners beg to assure your Lordship, that it has been with the greatest regret and reluctance that they have been constrained to make these representations against an officer so distinguished as Captain Hindmarsh for gallantry and good conduct in the honourable profession to which he belongs; and it is gratifying to them to believe that the administrative errors of the civil governor of a province cannot tarnish the honour won by the brave and skilful seaman, in the military service of his country. But the commissioners, however much they may respect the rank and character of Captain Hindmarsh as a distinguished officer of the British navy, are compelled, by a paramount sense of duty, respectfully to recommend, on the several grounds which they have endeavoured to explain to your Lordship, that he may be immediately recalled from the government of South Australia.

I have, &c.
(signed) *Robert Torrens.*

To the Right Hon. Lord Glenelg,
&c. &c. &c.

Gentlemen, Downing-street, 21 February 1838.

YOUR letter of the 22d December, urging the recall of Governor Hindmarsh from South Australia, has engaged Lord Glenelg's most careful and anxious consideration. In deliberating on that suggestion he has felt himself bound to consider with the utmost attention the various matters laid to the charge of that officer, and he now directs me to communicate to you the result.

The name of Captain Hindmarsh was originally submitted to His late Majesty for the office which he at present fills, in deference to your opinion of his capacity for such a trust. Although personally unknown to Lord Glenelg, his character in his profession stood extremely high, and he was strongly recommended by one of the oldest and most distinguished naval officers under whom he had served. Under such circumstances, Lord Glenelg was gratified to have it in his power to call him to a situation of trust and emolument in the civil service of the Crown.

Since his assumption of the government of South Australia, nothing has occurred in the proceedings of Captain Hindmarsh to detract from the opinion which Lord Glenelg was originally led to entertain in favour of his character as an officer and a gentleman. The errors imputed are such only as impugn his temper and his prudence.

On the one hand, Lord Glenelg is constrained to admit that very serious deficiencies have been shown to exist in Captain Hindmarsh's character in those most essential requisites of the governor of a distant province.

On the other hand, his Lordship thinks it clear that the situation in which he has been placed is one of great difficulty and embarrassment, and that he has not met with that degree of support and assistance from some of the local officers of his government which he had a right to expect.

Under ordinary circumstances, therefore, Lord Glenelg would probably have thought it sufficient to admonish Captain Hindmarsh of the errors into which he had fallen, and to suggest to him the necessity of greater forbearance and circumspection in future; but this is not a common case. Your written representation and request proceed from persons whose connexion with the colony and with its present Governor gives peculiar weight to their opinion.

As you are charged with the chief responsibility of executing this new experiment in colonization, his Lordship is unwilling to withhold from you the means which you deliberately pronounce indispensable to the due discharge of the trust committed to you. The deputation which recently waited on Lord Glenelg on this subject was composed of the representatives of all the leading interests attached to the colony; the commissioners, the bondholders, and other public creditors of the colony in this country, and the South Australian Land Company; and this deputation urged on Lord Glenelg the removal of Captain Hindmarsh from the government, as the unanimous desire of themselves and those whom they represented. To such an appeal the utmost deference is due.

Her Majesty's pleasure will, therefore, be signified to Captain Hindmarsh, that he should retire from the government of South Australia. Lord Glenelg, however, trusts that it will be in your power to indemnify that officer against the expenses of his return to Europe.

His

His Lordship will be happy to receive, and will carefully weigh any recommendation which you may be disposed to make as to the choice of Captain Hindmarsh's successor in the office which will thus become vacant.

I have, &c.
(signed) *Jas. Stephen.*

The Colonization Commissioners
for South Australia.

No. 26.
Lord Glenelg to Governor Hindmarsh.
21 Feb. 1838.

— No. 27. —

COPY of a LETTER from *R. Torrens*, Esq. to *J. Stephen*, Esq.

South Australian Colonial Office, Adelphi-terrace,
Sir, 31 March 1838.

IN reference to your letter of the 27th instant, expressing Lord Glenelg's desire of receiving, with as little delay as possible, the recommendation of the Colonization Commissioners of a candidate for the office of governor of South Australia, the commissioners have the honour to state that they have, by an unanimous vote of their board, adopted the resolution to submit the name of Lieut.-colonel George Gawler to Lord Glenelg, as that of the candidate whom they recommend as the successor of Captain Hindmarsh. In coming to this resolution the commissioners have given the fullest and most careful consideration, as well to the comparative qualifications of the several candidates as to the conflicting opinions and opposite interests which were pressed upon them, and they venture to hope that the selection which they have made, should it receive the approval and sanction of Lord Glenelg, will prove conducive to the good government and prosperity of the colony.

The commissioners beg to enclose, for the consideration of Lord Glenelg, the testimonials which they have received as to the qualifications of Lieut.-colonel Gawler, and to state, that in addition to the very high recommendation contained in the letter of Lord Fitzroy Somerset, the commissioners received an equally high character of Colonel Gawler through verbal communications with the adjutant-general.

I have, &c.
(signed) *Robert Torrens,*
Chairman.

No. 27.
R. Torrens, Esq. to J. Stephen, Esq.
21 March 1838.

— No. 28. —

COPY of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners for *South Australia.*

Downing-street, 3 April 1838.
Gentlemen,

I HAVE laid before Lord Glenelg, Colonel Torrens's letter of the 31st ultimo, intimating that you have, by an unanimous vote of the board, adopted the resolution to submit the name of Lieut.-colonel George Gawler to his Lordship, as the candidate whom you would recommend as the successor of Captain Hindmarsh. Lord Glenelg has perused, with much satisfaction, the high testimonials to the character and qualifications of Colonel Gawler, and his Lordship will have great pleasure in submitting the name of that officer to the Queen, for the appointment of governor of South Australia.

I have, &c.
(signed) *Jas. Stephen.*

No. 28.
J. Stephen, Esq. to the Colonization Commissioners for South Australia.
3 April 1838.

— No. 29. —

COPY of a LETTER from *R. Torrens*, Esq. to *J. Stephen*, Esq.

South Australian Colonial Office, Adelphi-terrace,
Sir, 23 April 1838.

THE Colonization Commissioners for South Australia have the honour to acknowledge the receipt of your letter of the 3d instant, inclosing despatches from Captain Hindmarsh, Nos. 46 and 53 inclusive, and requesting the commissioners to lay before Lord Glenelg any observations which they may have to make on the subjects to which they advert.

In reply the commissioners request to be allowed on the present occasion to confine their observations to that part of the despatch, No. 53, in which Captain Hindmarsh refers to the means of defining the powers of the Governor, and his precise relative position to the land commissioner, and urges the propriety of dismissing Mr. Fisher.

The manifold and serious evils which have been created in the colony by the division of authority would have been sufficient to induce the commissioners to recommend a union of the office of resident commissioner with that of Governor, even if the conduct of the individual holding the separate office of resident commissioner had furnished no just grounds of complaint. The conduct of Mr. Fisher, however, has been such, that independently of the necessity which has arisen of putting an end to divided authority, the commissioners deem it expedient and indeed indispensable to withdraw from him the control of the finances and expenditure of the colony, and to confine his duties to the disposal and registration of land. The accompanying paper sets forth the manner in which Mr. Fisher has neglected to conform

No. 29.
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to his instructions, or has acted in violation of them, and on the several grounds theren stated, the commissioners beg to be allowed to recommend that Lord Glenelg may be pleased to remove Mr. Fisher from the office of resident commissioner.

Though Mr. Fisher has been neglectful and regardless of his instructions in an extraordinary degree, yet it does not appear from any evidence hitherto adduced that his conduct has been actually corrupt.

The commissioners, however, submit for the consideration of Lord Glenelg, that it would be expedient, on Colonel Gawler's assuming the government of the colony, to institute an investigation into the charges preferred by Captain Hindmarsh against Mr. Fisher for corrupt practices in the disposal of the public stores; and to make it contingent upon the result of this inquiry whether he should continue to fulfil the office of assistant commissioner and registrar, or be altogether dismissed from employment in the colony.

I have, &c.
(signed) *Robert Torrens*, Chairman.

STATEMENT of the Conduct of Mr. *Fisher*, Colonial Commissioner.

6 April 1838.

IT is an important part of the colonial commissioner's duty punctually to supply the commissioners at home with full and accurate information as to the progress of the colony, the sales of land and of stores, the arrival and disposal of emigrants, the demand for labour, and the colonial expenditure. In the performance of these duties Mr. Fisher has been exceedingly remiss. In several instances the opportunities of writing have been altogether neglected; in many others the information afforded has been exceedingly scanty, and in no instance has it been in full accordance with the wishes and instructions of the commissioners. The advice of bills has in almost every case been neglected; acknowledgment of goods received frequently omitted; and although stores of great value have been provided for sale in the colony, no account whatever of such sales has to this day reached England.

The second letter of instructions to the colonial commissioner (contained in the last annual report) requires that he shall transmit a half-yearly statement, in a prescribed form, of the financial and other proceedings of the colony. The first of these statements (which should have been made up at the end of last June) the colonial commissioner is required by positive instructions to transmit to England in the course of the following July or August. Towards the end of August Mr. Fisher stated that his report was then in preparation, and that it would be transmitted in a few days. His subsequent despatches, however, which down to the 31st of October had all been received, not only do not contain this document, but they contain no allusion to it whatever. The total suppression of the very important facts which ought to have been communicated in this half-yearly report, taken in connexion with frequent irregularities in drawing bills, and the alleged private sales of colonial property (in one instance to Mr. Fisher himself), of which sales no satisfactory explanation has as yet been given, has created considerable anxiety in the minds of the commissioners.

The second letter of instructions carefully defines the purposes for which the colonial commissioner is authorized to require the colonial treasurer to draw bills on the commissioners in England, and especially forbids drafts being made for any other purpose, unless previously sanctioned by the commissioners. This important instruction the commissioners regret to state Mr. Fisher has frequently disregarded, and the unauthorized drafts have already reached a very serious amount. The commissioners are well aware that circumstances may arise of so urgent a nature as to justify a departure from the most positive instructions; but they are decidedly of opinion that in the instances to which they now allude no such justification exists. As an example, they would mention that Mr. Fisher has chartered a vessel to fetch ponies from Timor for sale in the colony, and has drawn on the commissioners for the expenses incurred in this speculation.

— No. 30. —

No. 30.
J. Stephen, Esq. to the Colonization Commissioners for South Australia.
10 May 1838.

EXTRACT of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners for *South Australia*.

Gentlemen, Downing-street, 10 May 1838.

I HAVE received and laid before Lord Glenelg your letter of the 23d instant. and I am directed to acquaint you in reply, that under the circumstances which you have stated, his Lordship concurs in your opinion that Mr. Fisher should be removed from the office of resident commissioner in South Australia, and that the office should be united with that of governor.

His Lordship, therefore, will submit to the Queen the name of Colonel Gawler, for the resident commissioner.

I remain, &c.
J. Stephen.

—No. 31.—

No. 31.
R. Torrens, Esq. to J. Stephen, Esq.
21 May 1838

COPY of a LETTER from *R. Torrens*, Esq. to *J. Stephen*, Esq.

South Australian Colonial Office, Adelphi-terrace,
Sir, 21 May 1838.

I HAVE the honour to transmit for the consideration of Lord Glenelg, a draft of the financial instructions which the Colonization Commissioners have prepared for Colonel Gawler in his capacity of resident commissioner.

With the exception of a few deviations suggested by the altered circumstances which have arisen, this draft is in conformity with the financial instructions prepared by the Audit Office for the governor.

The commissioners beg permission to submit to Lord Glenelg the considerations which lead them to conceive that the instructions for conducting the financial affairs of the colony should now be addressed, not to the governor, but to the resident commissioner.

The South Australian Act provides that the custody and application of the revenue, as well as of the land fund, shall be vested in the Commissioners, and in conformity with this provision of the Act, the financial instructions prepared by the Audit Office direct the governor not to make any new appointments, to increase any salaries, or to execute any public works without the authority of the Colonization Commissioners. But while in all financial matters the governor is thus placed under the authority of the Colonization Commissioners, the commissioners cannot, under the provisions of the Act, possess any authority whatever over the governor, or communicate with him officially on any subject, except through the Secretary of State.

This incongruity may, as the commissioners conceive, be obviated by giving to Colonel Gawler, in his capacity as resident commissioner, that financial administration which in other colonies the governor possesses as governor. As the commissioners have the custody of the revenue fund, it seems to follow that it is their representative in the colony in whom the financial administration should reside. They cannot communicate with the governor, much less can they assume the authority of the Lords of the Treasury, and require the Secretary of State to transmit his financial instructions to the local government, and, therefore, it is only through their representative in the colony that they can have any power to exercise that control over the application of the revenue fund which is given to them by the Act.

For these reasons the commissioners are desirous, that should the alteration be sanctioned by Lord Glenelg, that the financial instructions prepared by the Audit Office may be addressed to Colonel Gawler, not as governor, but as resident commissioner.

A copy of the schedule of appointments referred to in the draft of instructions is herewith enclosed; and as the commissioners have found it necessary to increase the strength of the surveying staff, they request that Lord Glenelg may be pleased to obtain the sanction of the Lords of Her Majesty's Treasury for the additional expense required to secure a more rapid execution of the surveys.

I have, &c.
(signed) *R. Torrens*, Chairman.

—No. 32.—

No. 32.
A. Y. Spearman, Esq. to J. Stephen, Esq.
16 June 1836.

COPY of a LETTER from *A. Y. Spearman*, Esq. to *J. Stephen*, Esq.

Sir, Treasury Chambers, 16 June 1836.

WITH further reference to the communication from this Board of the 25th ultimo to you on the subject of the instructions (with respect to accounting) to be given to the treasurer of the South Australian Company, and to your reply thereto of 3d instant, I am commanded by the Lords Commissioners of His Majesty's Treasury to transmit to you an extract from a Report of the Commissioners of Audit on this subject, and to request you will submit the same to Lord Glenelg, and will move his Lordship to cause the information therein suggested to be furnished to my Lords, in order that the requisite instructions in regard to the mode of accounting for the emigration and revenue funds of the intended settlement in South Australia may be proposed without delay.

I have, &c.
(signed) *A. Y. Spearman.*

EXTRACT from a Report of the Commissioners of Audit, dated 7 June 1836.

WE beg leave to submit to your Lordships, that so far as we understand, the money responsibilities that will arise, and the accounts to be rendered under the provisions of the Act for the colonization of South Australia, an Emigration Fund Account will be to be rendered by the treasurer appointed by the commissioners for receiving in this country any sums which may be raised under the 26th clause of the Act, and of the sum of 35,000 *l.* already raised by the sale of lands in this country, or any other proceeds of sales to be made here; and another Emigration Fund Account by the treasurer, or other officer, who may be appointed by the commissioners in the new colony to receive the proceeds of such lands as may be sold there. Besides which a General Colonization Revenue and Investment Account, in respect of all monies raised and appropriated in England for other purposes than

No. 32.
A. Y. Spearman, Esq. to J. Stephen, Esq.
16 June 1836.

than the Emigration Fund, is to be rendered by the treasurer at home; and indeed, Mr. Barnes, the present treasurer, has already rendered to us an account of the above description, for the year 1835, and a further account to be rendered by the colonial treasurer of the monies not applicable to purposes of emigration, which may be received and expended in the colony.

It is probable that both the accounts relating to money transactions in England, will be kept and rendered by the treasurer already appointed in this country, and that both the accounts arising from money transactions in the colony may be kept and rendered by one and the same officer. But whether this should be the case or not, we apprehend that the four distinct accounts above described are to be audited by this department.

Previously, however, to any instructions relating to these accounts being prepared, it will be necessary that we should be informed, whether there are to be four, or only two treasurers; and as it appears that the Emigration Fund is to be managed altogether under the directions of the Board of Commissioners in England, and in the colony by the local commissioner to be appointed by the Crown, or by such other person as the commissioners may appoint, under the directions of the Board of Commissioners in England, it will likewise be necessary, with a view to the instructions to be prepared, that we should be informed whether the duties of the governor and local commissioner are to be vested in one and the same person, and that we should be apprized of such directions as may be given by the Secretary of State in respect of revenue matters.

As the Lieutenant-governor, Captain Hindmarsh, is shortly to leave this country for the colony, it appears desirable that we should be supplied, as early as may be convenient, with the information required in the above respects. Your Lordships are aware of the inconvenience and losses which resulted from Captain Sir James Stirling having sailed and taken possession of the government of Western Australia without the necessary instructions as to these particulars.

—No. 33.—

No. 33.
J. Stephen, Esq. to the Colonization Commissioners.
22 June 1836.

COPY of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners for *South Australia*.

16 June 1836.

Gentlemen, Downing-street, 22 June 1836.

I AM directed by Lord Glenelg to transmit to you the enclosed copy of a letter which has been received from the Secretary to the Treasury, with an extract of a report from the Commissioners of Audit relative to the pecuniary responsibilities which will arise, and the accounts required to be rendered, under the provisions of the South Australian Colonization Act; and I am directed to state, that before Lord Glenelg answers the inquiries of the Commissioners of Audit, his Lordship would wish to know what is your opinion respecting the proper custody of the fund raised by yourselves under the authority of the Act for the service of the colony.

I am, &c.
(signed) *Jas. Stephen.*

—No. 34.—

No. 34.
Rowland Hill, Esq. to J. Stephen, Esq.
29 June 1836.

COPY of a LETTER from *Rowland Hill*, Esq. to *J. Stephen*, Esq.

South Australian Colonization Office,
29 June 1836.

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 22d instant, enclosing a copy of a letter from the Treasury, and an extract of a report from the Commissioners of Audit, relative to the pecuniary responsibilities which will arise, and the accounts required to be rendered, under the provisions of the South Australian Colonization Act; and requesting, for the information of Lord Glenelg, the opinion of the Commissioners as to the proper custody of the fund raised by them under the authority of the Act for the service of the colony.

Understanding the inquiry to apply to those monies which have been raised by the issue of colonial revenue bonds, exclusive, however, of the guarantee fund, which, agreeably to the 24th section, has been placed in the hands of trustees, the Commissioners are of opinion that the question involves another, which it will be convenient to consider first, namely, under whose control the fund has been placed by the Legislature.

Judging from the whole tenor of the Act, which empowers the Commissioners to raise the fund in question, which makes them the sole judges of the amount to be borrowed, and of the interest to be paid, and which directs that the fund shall be applied to defraying the necessary costs, charges, and expenses of founding the intended colony, and of providing for the government thereof, and for the expenses of the Commissioners, and for defraying all costs, charges, and expenses incurred in carrying the Act into execution, and applying for and obtaining the Act,—the Commissioners are of opinion that the control of the fund, except so far as relates to the salaries of the officers, which, by the 15th section, are to be fixed and revised by the Lords of His Majesty's Treasury, is placed in their own hands; and they are confirmed in this view by that provision of the 24th section, which directs, "That the interest and dividends accruing from time to time upon the said Exchequer bills, or other Government securities, shall be paid to the said Commissioners, and by them be devoted

devoted to the purposes to which, as hereinbefore directed, the monies to be raised by the issue of the aforesaid South Australian colonial revenue bonds are made applicable."

The 11th section directs that all monies under the control of the said Board of Commissioners shall be received and paid by the treasurers who may be appointed by the board.

If, therefore, the Commissioners are correct in considering the fund as placed under their control, they conceive it necessarily follows, that its proper custody will be that of the treasurer in England.

No. 34. Rowland Hill, Esq. to J. Stephen, Esq. 29 June 1836.

I have, &c.

(signed) *Rowland Hill.*

—No. 35.—

Copy of a LETTER from *J. Stephen*, Esq. to *A. Y. Spearman*, Esq.

No. 35. J. Stephen, Esq. to A. Y. Spearman, Esq. 1 July 1836.

Sir, Downing-street, 1 July 1836.

I have laid before Lord Glenelg your letter of the 16th ultimo, enclosing the extract of a report from the Board of Audit, relative to the pecuniary responsibilities which will arise, and the accounts required to be rendered, under the provisions of the South Australian Act.

I am directed by his Lordship to acquaint you in reply, that he referred your letter to the Colonization Commissioners for the purposes of ascertaining their opinion as to the proper custody of the funds raised by themselves under the authority of the Act, for the service of the colony, and to enclose you a copy of their answer to that reference.

I am further directed to observe, that if the Colonization Commissioners rightly construe this Act, it would seem that the funds borrowed on the security of the revenues of the projected colony are not, as has been supposed, under the control of the Lords Commissioners of the Treasury, but are subject, with the exception of certain salaries, to the control of the local commissioners. Lord Glenelg can hardly suppose that the authors of the Act really contemplated such a consequence, the effect of which would be virtually to transfer from the Lords Commissioners of the Treasury, and from the Secretary of State for the Colonies, to the Colonization Board, not only the sale of the lands and the appropriation of the proceeds, but also those financial powers which are essential to the administration of the public affairs of the new colony. As, however, it seems to be indispensable to ascertain whether the views of the Commissioners are well founded, Lord Glenelg presumes that the Lords Commissioners of the Treasury will not think it right to direct or sanction the issue of any further part of those funds, until their Lordships shall have taken the opinion of the legal advisers of the Crown whether the control of the funds rests with the Colonization Commissioners or with their Lordships. I am directed to add, that the settlement of this question is the more urgent, because, if the construction put by the Colonization Commissioners on the Act be accurate, it may be doubtful whether the Lords Commissioners of the Admiralty have any valid security for the repayment of the expenses which they have incurred, and are about to incur, for the service of the colony.

I am, &c.

(signed) *J. Stephen.*

— No. 36. —

Copy of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners of *South Australia.*

No. 36. J. Stephen, Esq. to the Colonization Commissioners of South Australia, 6 July 1836.

Gentlemen, Downing-street, 6 July 1836.

I have received, and laid before Lord Glenelg, the letter addressed to myself by your secretary, on the 29th ultimo, in which you state your opinion that the control of the funds raised under the statute 4 & 5 Will. 4, c. 95, except so far as relates to the salaries of the officers, which, by the 15th section, are to be fixed and revised by the Lords of His Majesty's Treasury, is placed in your hands.

Lord Glenelg directs me to acquaint you that he has suggested to the Lords Commissioners of the Treasury the propriety of referring to the law officers of the Crown the question whether your interpretation of the Act of Parliament in this respect be accurate or not. Some time must unavoidably elapse before their report on that subject can be received.

In the interval, it will probably be indispensable to act on the subject of the colonial expenditure, and Lord Glenelg is anxious that the inconvenience with which the doubts suggested by you might otherwise be attended should be obviated by the arrangement which it is the design of this letter to explain.

Assuming that the Act of Parliament had vested in the Lords of the Treasury the control of the funds raised under its provisions, with the exception only of those funds which are applicable to the purpose of emigration, Lord Glenelg had applied for and obtained their Lordships' sanction for the several items of expenditure mentioned in the subjoined list. If the control of these funds belong, as you are of opinion, to you, the employment of them under the orders of the Lords of the Treasury alone, and without your sanction, will of course be contrary to law.

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J. Stephen, Esq. to the Colonization Commissioners of South Australia, 6 July 1836.

In deference to your judgment, Lord Glenelg would therefore have been disposed to arrest that expenditure pending the consideration of the subject by the Attorney and Solicitor-general.

But at this moment such a measure might be attended with extreme distress to the emigrants about to embark for South Australia.

His Lordship, therefore, directs me to signify to you his wish that, without prejudice to the question of legal right, you would with the least possible delay acquaint him whether you approve and sanction the proposed expenditure, or whether, on the contrary, there are any items of it to which you object, either on the whole or in part.

I have, &c.
(signed) *Jas. Stephen.*

— No. 37. —

COPY of a LETTER from *A. Y. Spearman*, Esq. to *J. Stephen*, Esq.

No. 37.
A. Y. Spearman, Esq. to J. Stephen, Esq.
11 August 1836.

Sir, Treasury Chambers, 11 August 1836.

I AM commanded by the Lords Commissioners of His Majesty's Treasury to state to you, for the information of Lord Glenelg, that, upon the receipt of your letter of the 1st ult., my Lords caused a case to be submitted to His Majesty's law officers, referring to the provisions of the South Australian Colonization Act, detailing the correspondence which had taken place between the Commissioners under that Act and his Lordship's department, on the subject of the pecuniary responsibility of the Commissioners and the control they are entitled to exercise over the appropriation of the fund raised for the general purposes of the local government of the new settlement, and calling for the opinion of the law officers as to the "nature and extent of the control vested in His Majesty's Government, by the provisions of the Act, over the fund to be raised under the 18th section of it, and whether it rests with His Majesty's Government to direct the application of that fund, or whether their sanction is required for any application of the fund by the Commissioners, or how far the Commissioners may, upon their own authority, direct payments to be made out of it."

I am also directed to forward to you copy of the Opinion now before my Lords upon that case, and with reference thereto, and to the communication made to you on the 16th June last, to request you will move Lord Glenelg to favour my Lords with his opinion as to the expediency of directing the Commissioners of Audit to frame instructions in regard to the accountability of the parties in whose hands the monies raised by the South Australian Commissioners may be placed, in conformity with the interpretation given to the Act by His Majesty's law officers.

I have, &c.
(signed) *A. Y. Spearman.*

OPINION of the Attorney and Solicitor-General on a Case submitted to them, as to the Control of Government over Sums to be raised by the Colonization Commissioners under 4th and 5th Will. 4, ch. 95.

"WE are of opinion that the disposition of the fund raisable under the 18th section rests with the Commissioners, and not with His Majesty's Government. The Commissioners are bound to apply it for defraying the necessary costs, charges and expenses of founding the colony, and for the other purposes referred to in the 18th section.

"The money raised is all to pass through the hands of the treasurer appointed by the Commissioners, and his accounts are to be audited in the same manner as those of other public accountants.

"The Commissioners will be liable for any wilful misapplication of the money; but so long as they *bonâ fide* apply it for the purposes indicated in the 18th section, they appear to us to have a discretion as to its application.

(signed) "*J. Campbell.*
Temple, 25 July 1836. "*N. W. Rolfe.*"

— No. 38. —

COPY of a LETTER from *J. Stephen*, Esq. to *A. Y. Spearman*, Esq.

No. 38.
J. Stephen, Esq. to A. Y. Spearman, Esq.
19 August 1836.

Sir, Downing-street, 19 August 1836.

I HAVE laid before Lord Glenelg your letter of the 11th inst., together with the opinion of the Attorney and Solicitor-general relative to the control of the Government over sums to be raised by the Colonization Commissioners for South Australia for the service of that settlement.

His Lordship directs me to acquaint you, in answer, for the information of the Lords Commissioners of the Treasury, that, unless the South Australian Act should be amended, he can perceive no reason to doubt the propriety of directing the Commissioners of Audit to frame instructions in regard to the accountability of the parties through whose hands the monies in question shall pass, in conformity with the opinion of the law officers of the Crown.

His

His Lordship must however observe, that he cannot but anticipate very great confusion and difficulty from the anomalous system which has been introduced into this branch of the public business. So long as any funds shall remain at the disposal of the Commissioners, there can be no well-founded reason to expect that the local legislature will impose, or that the resident colonists will not strenuously object to any local taxation; nor can Lord Glenelg perceive how it will be possible to regulate the finances, or to conduct the government of a colony for which a remote body is to raise and to expend money at their discretion on the pledge of the colonial revenues, while the local legislature is to grant and direct the appropriation of the same revenues. The difficulty appears to be increased from the circumstance of the Governor of South Australia being an officer, not of the Commissioners, but of the King, and taking his instructions from His Majesty's Government. If, therefore, the Commissioners should raise loans or incur expenses which His Majesty's Government should not approve, the Lords of the Treasury would be in the dilemma either of directing the Governor to take measures for making good charges, which, in their judgment, ought not to have been incurred, or of refusing to persons lending money on the faith of an Act of Parliament the authority or influence of the Government for obtaining repayment of the loan.

No. 38.
J. Stephen, Esq. to A. Y. Spearman, Esq.
19 August 1836.

Lord Glenelg would therefore submit to the Lords of the Treasury his opinion, that so much of the Act as relates to the appropriation of the produce of any taxes to be hereafter raised in South Australia, should be so amended as to bring the entire administration of those funds under the control of their Lordships' Board and of the local legislature, as in other colonies. If such amendments should be in contemplation, his Lordship thinks that it might be expedient to arrange with the Commissioners for obtaining the concurrence of the Treasury in all their intermediate expenditure.

I am, &c.
(signed) *Jas. Stephen.*

—No. 39.—

COPY of a LETTER from *F. Baring*, Esq. to *J. Stephen*, Esq.

No. 39.
F. Baring, Esq. to J. Stephen, Esq.
7 October 1836.

Sir, Treasury Chambers, 7 October 1836.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury your letter of 19th August last, relative to the control of the Government over sums to be raised by the Colonization Commissioners for South Australia, for the service of that settlement; and I am commanded to request you will acquaint Lord Glenelg, that my Lords concur in opinion with his Lordship as to the inconvenience that is likely to result from the anomalous provisions of the South Australian Colonization Act, with respect to the control of the application of the funds raised by the Commissioners to defray charges of founding and providing for the government of the colony, and as to the expediency of obtaining the sanction of Parliament for its amendment; and my Lords will be fully prepared to take into consideration any arrangement Lord Glenelg may think proper to propose to the Commissioners with this view, whereby His Majesty's Government may either be absolved from the responsibility of raising a revenue to meet engagements, which, under the existing Act, might be contracted without their concurrence, or may be duly empowered to control both the exercise of the power vested in the Commissioners to raise money on security of the revenues, and the application of the money when so raised.

I am therefore directed to request you will move Lord Glenelg to communicate with the Colonization Commissioners on the subject of such amendments, and in the event of the course last mentioned being adopted, to make the arrangement suggested in Mr. Stephen's letter, with a view to the concurrence of His Majesty's Government being obtained for any appropriation of the money raised upon the revenue securities, that it may be necessary to make in the intermediate period; and in the meantime my Lords will desire the Commissioners of Audit to proceed with the preparation of such instructions, in regard to the mode and forms of rendering and vouching the accounts of the funds to be raised under the Colonization Act, as may ensure uniformity and regularity in this respect, subject to the future decision of the question of direction and control over the revenue-security fund.

I have, &c.
(signed) *F. Baring.*

—No. 40.—

COPY of a LETTER from *J. Stephen*, Esq. to *A. Y. Spearman*, Esq.

No. 40.
J. Stephen, Esq. to A. Y. Spearman, Esq.
24 February 1837.

Sir, Downing-street, 24 February 1837.

HAVING referred to the Colonization Commissioners for South Australia, your letter of the 6th instant, on the subject of the charges made in their treasurer's accounts for advertising a dinner given to Governor Hindmarsh, and for a commission to Mr. Wright, I am directed by Lord Glenelg to transmit to you a copy of the answer which has been received from the Colonization Commissioners, and I am to request that, in laying their letter before the Lords Commissioners of the Treasury, you will inform them that it contains the only information which it is in Lord Glenelg's power to furnish respecting the questions proposed in your letter.

16 February.

No. 40.
J. Stephen, Esq. to A. Y. Spearman, Esq.
24 February 1837.

I am further directed to observe, that as the Act of Parliament, according to the construction of the Attorney and Solicitor-general, exempts the Colonization Commissioners from all responsibility for any expenditure incurred by them in the conduct of the commission, except in the case of an outlay totally unconnected with the settlement and colonization of South Australia; and understanding their letter as a virtual assertion of that principle, Lord Glenelg is of opinion that no useful purpose could be answered by considering whether the expenses in question were properly incurred or otherwise.

I am, &c.
(signed) *Jas. Stephen.*

South Australian Colonial Office, Adelphi-terrace,
Sir, 16 February 1837.

In reply to your letter of the 13th instant, with reference to the accounts of the treasurer, I am directed by the Colonization Commissioners for South Australia to acquaint you, for the information of Lord Glenelg, that the explanation of the circumstances connected with the allowance of a commission of 500 *l.* to Mr. John Wright, as quoted in the report of the Commissioners of Audit enclosed in your letter, was given to the Commissioners of Audit by the Board of Colonization Commissioners, and under the signature of two members of their body, although transmitted by Mr. Barnes.

As regards the expenditure of 17 *l.* 10*s.* 6*d.* in advertising the dinner to Captain Hindmarsh, the Colonization Commissioners direct me to state, that they concur in and confirm their treasurer's explanation of the circumstances, as quoted by the Commissioners of Audit, and that they would not have sanctioned the expenditure if they had not thought it necessary.

I have, &c.
(signed) *Rowland Hill.*

—No. 41.—

No. 41.
Rowland Hill, Esq. to Sir G. Grey, Bart. M. P.
18 February 1836.

Copy of a LETTER from *Rowland Hill*, Esq. to Sir *G. Grey*, Bart. M. P.

South Australian Colonial Office, Adelphi-terrace,
Sir, 18 February 1836.

The Colonization Commissioners for South Australia direct me to acquaint you, for the information of Lord Glenelg, that they find they could raise the future loans for the purposes of the colony upon much more advantageous terms if they were authorized to proceed on the principle of annuities, as adopted in effecting loans for the purposes of Government, a mode of proceeding which, they are advised, is not sanctioned by the Act of Parliament under the authority of which they are appointed.

The Commissioners are therefore desirous that application should be made to Parliament for the necessary authority; and as the saving to the colony thus effected would be very considerable (about two per cent. on the interest of the loans shortly to be contracted for), they trust Lord Glenelg will sanction the proposed measure, and that he will feel no difficulty in advising His Majesty's Government to introduce the Bill into Parliament.

I have, &c.
(signed) *Rowland Hill*

—No. 42.—

No. 42.
J. Stephen, Esq. to South Australian Commissioners,
25 February 1836.

Copy of a LETTER from *J. Stephen*, Esq. to the South Australian Commissioners.

Gentlemen, Downing-street, 25 February 1836.

I have laid before Lord Glenelg your secretary's letter of the 18th instant, representing that you could raise the future loans for the purpose of the colony of South Australia on much more advantageous terms if you were authorized to proceed on the principle of annuities, as adopted in effecting loans for the purposes of Government, and expressing a hope that Lord Glenelg would sanction such a measure, and would introduce a Bill into Parliament for enabling you to carry it into effect.

In reply, I am directed to acquaint you, that it will be necessary for Lord Glenelg to have before him a draft of the Bill which you desire to have introduced into Parliament, before he can express any opinion on the subject.

I am, &c.
(signed) *Jas. Stephen.*

— No. 43. —

COPY of a LETTER from *R. Torrens*, Esq. to Lord *Glenelg*.

No. 43.
R. Torrens, Esq. to Lord Glenelg, 1 June 1836.

South Australian Colonial Office,
6, Adelphi Terrace, 1 June 1836.

My Lord,

ON the receipt of Mr. Stephen's letter of the 25th February, stating, in reply to Mr. Hill's letter of the 18th of that month, that it was your Lordship's desire to have prepared a draft of the Bill by which it was proposed to give the Commissioners the power of raising loans by annuity, the necessary steps were immediately taken by the Board for complying with your Lordship's wish; but as, since the formation of the commission, many doubts and difficulties have arisen in consequence of the ambiguity of the Act upon several important points, the Commissioners thought it expedient that the objects of the amended Bill should be extended, with a view to the removal of such ambiguity, and in order that their powers and duties may be satisfactorily defined.

The draft of a Bill incorporating the various amendments which, on a careful consideration of the whole Act, appeared desirable, has therefore been prepared with as little delay as possible, by Mr. Senior and Mr. Coulson, under the instructions of the Commissioners.

This draft I have now the honour of submitting for your Lordship's approval; trusting that the proposed measure will receive your Lordship's sanction, and that you will feel no difficulty in advising His Majesty's Government to introduce the Bill into Parliament.

There are some provisions of the proposed Bill respecting which it may be necessary that I should trouble your Lordship with a few observations.

The power which it is proposed should be given to the Commissioners by the 19th section, will conduce greatly to the economical management of the colonial funds. At the present moment the Commissioners have in hand an emigration fund amounting to upwards of 30,000*l.*, by far the greater part of which will for a very considerable time at least be quite useless for the purposes of emigration, and yet, unless the requisite power be obtained, the Commissioners will be obliged immediately to raise loans at a high rate of interest for defraying the expenses of the colonial government, and thus saddle the colony with a heavy annual charge which is altogether unnecessary.

By the 20th section it is proposed to exempt the bonds from the stamp duty. The Commissioners conceive that when the Legislature determined to throw upon the infant colony the whole weight of its own expenditure, it could not have been intended to add to the burthen by making it contribute also to the expenditure of the mother-country.

The 22d section is introduced for the purpose of empowering His Majesty's Government to relieve the colony from the necessity of mai taining the guarantee fund whenever it shall appear safe and proper so to do.

As the cost to the colony of maintaining this fund cannot be estimated at much less than 1,400*l.* per annum (the difference between the interest paid and the interest received on 20,000*l.*), it is certainly desirable that the fund should be continued no longer than is absolutely necessary.

In conclusion, I take the liberty of respectfully representing to your Lordship, that with reference to the finances of the colony, it is of the utmost importance that the proposed amendments should be submitted to Parliament with as little delay as possible, in order that they may be adopted before the close of the session.

I have, &c.
(signed) *Robert Torrens*, Chairman.

A BILL to amend an Act of the Fourth and Fifth Years of His present Majesty to erect South Australia into a British Province or Provinces.

WHEREAS by an Act passed in the fourth and fifth years of the reign of His present Majesty, intituled, "An Act to empower His Majesty to erect South Australia into a British Province or Provinces, and to provide for the Colonization and Government thereof," His Majesty was empowered, with the advice of his Privy Council, to erect and establish within that part of Australia which lies between the meridians of the 132d and 141st degrees of east longitude, and between the Southern Ocean and the 26th degree of south latitude, together with the islands adjacent thereto, and the bays and gulfs thereof, one or more provinces, and to fix the respective boundaries of such provinces. And by the said Act it was enacted that it should be lawful for His Majesty, by warrant under the sign manual, countersigned by His Majesty's Principal Secretary of State for the Colonies, to appoint three or more fit persons to be Commissioners to carry certain parts of the said Act into execution, such Commissioners to be styled the "Colonization Commissioners for South Australia."

And whereas by a warrant under the sign manual of His said Majesty, and countersigned by the Right hon. Charles Baron Glenelg, one of His Majesty's Principal Secretaries of State, having the Department of the Colonies, Robert Torrens, William Alexander Mackinnon, William Hutt, John George Shaw Lefevre, George Palmer the younger, Jacob Montefiore, Samuel Mills, Edward Barnard, Josiah Roberts, and James Pennington, Esqrs., were duly appointed to be such Colonization Commissioners for South Australia:

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And whereas His said Majesty, on or about the day of by letters-patent under the Great Seal of Great Britain, with the advice of his Privy Council, and in pursuance of the powers in that behalf vested in His said Majesty by the said recited Act of Parliament, did erect and establish one province, to be called "The Province of South Australia," and did thereby fix the boundaries of the said province in manner following; (that is to say) on the north the 26th degree of south latitude, on the south the Southern Ocean, on the west the 132d degree of east longitude, and on the east the 141st degree of east longitude, including therein all and every the bays and gulfs thereof, together with the island called Kangaroo Island, and all and every other islands adjacent to the said last-mentioned island, or any part of the main land of the said province, and it was thereby provided that nothing in the said letters-patent contained should affect, or be construed to affect, the rights of any aboriginal natives of the said province to the actual occupation or enjoyment in their own persons, or in the persons of their descendants, of any lands therein then actually occupied or enjoyed by such natives:

And whereas the sum of 35,000*l.* has been raised by the sale of lands in the said province, and the sum of 39,000*l.* has been raised by the issue of South Australia Colonial Revenue Securities for the purposes in the said Act mentioned, and the sum of 20,000*l.*, part thereof, has been invested in government securities in the names of trustees appointed by His Majesty, as a guarantee or security fund, as required by the said Act:

And whereas doubts have arisen as to the extent of the powers vested in the said Colonization Commissioners for South Australia by the said Act, and it is expedient that such powers should be most clearly defined, and that the provisions of the said Act should be amended in manner hereinafter mentioned; Be it enacted and declared by the King's Most Excellent Majesty, by and with the advice and consent of the Lords spiritual and temporal, and Commons, in this present Parliament assembled, and by the authority of the same, that

Treasurer to act under the order of the Commissioners.

the several treasurers appointed or to be appointed by the said Commissioners shall not pay, apply, or invest any money which shall have been or shall be received by such treasurers respectively, under the powers of the said recited Act, or of this Act, save only upon an order signed by two or more of the said Commissioners, or by some officer authorized by a rule, order or regulation of the said Commissioners to sign orders for payment of monies, and every order so signed as aforesaid shall be a sufficient authority and an imperative direction to such treasurers respectively for the payment, application or investment of the money in such order directed to be paid, applied or invested according to the tenor or effect of such order: provided always, that it shall be lawful for the said Commissioners, with the consent of one of His Majesty's principal Secretaries of State, to appoint two or more persons to be trustees of the surplus monies at the disposal of the said Commissioners, and from time to time, with the like consent, to remove any such trustees or trustee, and from time to time to appoint new or additional trustees for the like purpose; and it shall be lawful for the said Commissioners from time to time, to cause so much of the monies at their disposal as shall not for the time be required for the purposes of the said recited Act, or this Act, to be invested in the names of such trustees, or of any two or more of them, in the Bank of England, or on Government or Parliamentary securities at interest, and from time to time to cause such investments, funds and securities to be withdrawn, sold, altered, varied or disposed of, as the said Commissioners shall think fit; and the order of the said Commissioners shall be a sufficient warrant and authority to the said trustees for all such sales and other dispositions of such funds and securities: provided always, nevertheless, that all monies from time to time paid under the orders of the said Commissioners to the purposes of the said recited Act, or this Act, other than and except payments incident to the alteration and variation of such funds and securities as aforesaid shall be paid through and by the treasurer of the said Commissioners.

Surplus funds to be invested in the names of trustees.

Power to raise money by way of annuities.

And be it further enacted, that it shall and may be lawful to and for the said Commissioners to raise all or any part of the sum of 50,000*l.* in the said Act mentioned, and all or any part of the sum of 160,000*l.* residue of the sum of 200,000*l.* in the said Act mentioned, and also all other monies which the said Commissioners may from time to time be authorized to raise under the powers of the said recited Act or of this Act, or any part of the same respectively, by selling and granting perpetual annuities, or annuities for any life or lives, or for any term or terms of years, absolute or determinable on any life or lives, on such terms as to the said Commissioners shall appear reasonable; and all such annuities shall be charged and chargeable upon and payable out of such funds respectively as the interest of the monies authorized to be raised by the said recited Act are by the said recited Act or this Act charged or made payable out of; and the grants of such annuities shall be in such form, and such annuities shall be payable and assignable in such manner as the said Commissioners shall think fit: provided always, that in every grant of any perpetual annuity, or of any annuity for any term absolute exceeding 40 years, or for more than one life, or for any term determinable on the decease of more than one person, under the authority of this Act, shall be inserted an agreement or proviso that such annuity shall be redeemable or repurchasable by the said Commissioners; and in such proviso or agreement shall be fixed such times and terms for the redemption and repurchase thereof as the said Commissioners, under the circumstances of the contract, shall think reasonable; and it shall and may be lawful for the said Commissioners, from time to time, to repurchase and redeem all or any of the redeemable annuities, hereby authorized to be granted, with the monies accruing from such funds respectively, or as often as it shall appear to them that the charge created by such annuities can be reduced, with money borrowed and taken up by all or any of the means

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means by the said recited Act or this Act authorized, which money the said Commissioners are hereby authorized to borrow and take up accordingly.

Commissioners to apply money raised from either fund, convertibly, keeping separate accounts.

And be it enacted, that it shall be lawful for the said Commissioners to apply all or any of the money which now is or shall, from time to time, be in the hands of their treasurers to the payment of the interest on the said South Australia public lands securities, and on the said South Australia colonial revenue securities respectively, and of the annuities by this Act authorized to be granted, and to the paying or defraying any expenses incurred in carrying the said recited Act and this Act into execution, or in applying for and obtaining the said recited Act and this Act, although such money shall not form any part of or have arisen from the revenue or fund charged primarily or exclusively with the payment of the interest or expenses to which it shall be so applied: provided always, that in every case in which any money advanced out of the monies borrowed in the said South Australia colonial revenue securities, or derived from the revenue of the said province, shall be applied in aid of the emigration fund, the money so advanced shall be a debt due from the said emigration fund to the said province; and in case any part of the said emigration fund shall be applied in aid of the revenues of the said province, the monies so advanced shall be a colonial debt, owing by the said province to the said Commissioners on account of the said emigration fund, and distinct accounts of all such advances shall be kept in the books under the direction of the said Commissioners; and such advances respectively shall be repaid or replaced as soon as conveniently may be (but without interest thereon in the meantime), by the said Commissioners out of the monies accruing to the fund debited with such advance; and when any money advanced from either of the said funds in aid of the other of them shall be required for the purpose of the fund from which the advance shall be made, the said Commissioners shall and may borrow and take up at interest, or raise in addition to the monies which they are authorized to borrow by the said recited Act, money for repaying such advance by all or any of the means by this Act or the said recited Act authorized; and the securities on which such monies shall be so raised shall bear such names and shall be charged upon and payable out of such funds respectively as the same would have been charged upon and payable out of, if such securities had been made under the powers of the said recited Act or this Act, or for the use of the fund debited with the advances so repaid.

Power to raise money on the security of the revenue to pay debts incurred to the emigrant fund, and *vice versâ*.

Bonds, &c., exempted from stamp duty.

And be it further enacted, that no bonds, charges, grants of annuities, or other instruments executed by the said Commissioners, under the powers of the said recited Act, shall be liable to any stamp duty.

Confirmation of acts of Commissioners.

And whereas notice was published in the London Gazette, in the month of May 1835, of the appointment of Commissioners for carrying into effect certain parts of the said recited Act; but such appointment was not then signed by His Majesty, as required by the said Act, be it enacted, that all contracts, obligations, rules, orders and regulations, matters and things whatsoever entered into, executed, made or done by the Commissioners so named, or any two of them, or other the Commissioners for the time being, acting under the authority or supposed authority of the said recited Act, or in the execution or supposed execution of the powers vested in them by the said Act, and not inconsistent with the provisions of the said recited Act, as explained and extended by this Act, shall be, and the same are hereby ratified and confirmed from the respective periods at which such contracts, obligations, rules, orders and regulations, matters and things, were respectively entered into, executed, made and done, and the same shall be from such respective periods valid and effectual, notwithstanding the powers of such Commissioners may not at such periods have extended to authorize the same respectively.

Power to Secretary of State to release the guarantee fund.

And whereas the maintenance of the guarantee or security fund of 20,000*l.*, in the said Act mentioned, may become burthensome to the said province; be it enacted, that it shall be lawful for any one of his Majesty's Principal Secretaries of State to dispose of the said guarantee or security fund, or any part thereof, for any of the purposes to which the monies raised by the issue of the said South Australia colonial revenue securities, are by the said recited Act or this Act made applicable, without requiring any sum or sums, in lieu of the said guarantee or security fund, or such part thereof as shall be so disposed of, to be invested in the names of the trustees in the said Act mentioned.

Act may be altered.

And be it enacted, that this Act may be altered or repealed by any Act or Acts to be passed in this present session of Parliament.

— No. 44. —

COPY of a LETTER from *J. Stephen*, Esq. to *R. Torrens*, Esq.

No. 44.
J. Stephen, Esq. to R. Torrens, Esq.
5 July 1836.

Sir, Downing-street, 5 July 1836.

I HAVE laid before Lord Glenelg your letter of the 1st ultimo, enclosing the Draft of a Bill which the Colonization Commissioners propose should be introduced into Parliament for the amendment of the present South Australian Act.

Lord Glenelg directs me to acquaint the Commissioners that he is at all times willing to consult their wishes, and his Lordship concurs with them in thinking that it will be necessary, at a proper opportunity, to bring in a Bill to amend the South Australian Act; but the proposed Draft, while it omits reference to some amendments that seem requisite, involves, on the matters to which it does apply itself, some important details, respecting which a difference of opinion may exist, which will consequently require much discussion. Adverting

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J. Stephen, Esq. to R. Torrens, Esq.
5 July 1836.

to these circumstances, and to the present advanced period of the session, Lord Glenelg thinks it more advisable to defer any Parliamentary proceeding till the next session. In the meantime his Lordship will be glad to communicate with the Commissioners on the provisions of a comprehensive measure of amendment.

I am, &c.
(signed) *J. Stephen.*

— No. 45. —

Copy of a LETTER from *R. Torrens*, Esq. to Lord *Glenelg*.

South Australian Colonial Office, Adelphi-terrace,
17 August 1836.

No. 45.
R. Torrens, Esq. to Lord Glenelg,
17 August 1836.

My Lord,

Mr. Stephen in his letter of the 5th ultimo, having communicated to the Colonization Commissioners your Lordship's desire that the proposed alterations in the South Australian Act should be postponed until the ensuing session of Parliament, and having stated that in the meantime your Lordship would be glad to communicate with the Commissioners on the provisions of a comprehensive measure of amendment, I have the honour to submit for your Lordship's consideration the accompanying paper, containing the views which have occurred to the Commissioners on the arrangements under which the financial business of the new colony may be conducted.

The enclosed paper contains two different plans: the first is suggested upon the supposition that your Lordship may deem it expedient to vest in the Commissioners the custody and application of the revenue fund, and to throw upon them the responsibility of keeping the expenditure of the colony within the limits of its own resources.

The second has been framed under the supposition that your Lordship may consider it more advantageous to the public service that the custody of the revenue fund, and the responsibility of carrying out the self-supporting principle, should rest with the Colonial Office and with the Lords of the Treasury, and that the functions of the Colonization Commissioners should be confined to the disposal of land and the management of the emigration.

The Commissioners beg to assure your Lordship that in suggesting an arrangement which relieves them from the responsibility of regulating the finances of the colony, they are not actuated by any desire to depart from or evade the original undertaking upon which His Majesty assented to its establishment.

Their confidence in the self-supporting principle has suffered no abatement, and they have no wish to fly from the responsibility of carrying out the principle into practical effect, should your Lordship decide upon entrusting them with the necessary powers.

At the same time, they are equally willing to confine their functions to the management of the public land, and of the emigration, should it be deemed inexpedient to delegate to them the extended powers, without which they would be unable to execute the task of equalizing the revenue and expenditure of the colony.

Though a considerable period must elapse before the sanction of the Legislature can be obtained for any new arrangement for the management of the colony, yet the Commissioners request, that your Lordship will have the goodness to communicate to them, as early as may be convenient, what the new arrangement is intended to be, in order that they may be prepared to conform to it.

At present, in consequence of the ambiguity of the Act of Parliament, and of their not knowing how far it is intended that their functions and their responsibility shall extend, the Commissioners frequently feel uncertain whether they may be considered as stepping beyond their powers, or as falling short of the performance of their duty.

I have, &c.
(signed) *Robert Torrens.*

Suggestions for conducting the Financial Arrangements of the Colony of South Australia.

The colony of South Australia, as originally proposed, was to have been a chartered and a self-supporting colony, and the Colonization Commissioners were to have been a corporation, exercising executive, legislative and financial control, and responsible to His Majesty's Government for carrying out the self-supporting principle. When this plan was subsequently altered, the alterations were not made with sufficient care and discrimination: the powers which were left with the Commissioners being too great if it were intended to limit their functions to selling land and conducting emigration, and being too narrow if it were intended that their functions should extend to the financial arrangements involved in the self-supporting principle. The consequence is, that in whatever way the Attorney and Solicitor-general may decide the financial question which has been referred to them, an alteration in the existing Act of Parliament will be necessary.

Should the law officers of the Crown decide that, under the provisions of the South Australian Act, the custody and application of the fund raised upon the security of South Australian Revenue Bonds are vested in the Colonization Commissioners, an alteration in the Act will be required, in order to give the Commissioners such a control over the revenue and expenditure of the colony as may enable them to provide for the interest of the colonial debt, and to give effect to the self-supporting principle.

On

On the other hand, should the law officers decide that, in the existing state of the law, the custody and appropriation of the revenue fund are vested in the Lords of the Treasury, an alteration in the Act of Parliament will be equally necessary for the purpose of enabling the Treasury to raise the colonial revenue loans, to provide for the interest thereof, and to enforce the self-supporting principle.

A change of system being thus indispensable, either of the following arrangements for the future management of the colony might be adopted.

The first of these arrangements is, to give to the Colonization Commissioners the control of the finances of the colony, and to charge them with the responsibility of devising the means for enabling it to defray its own expenses. The second arrangement is, to place the whole of the financial control and responsibility with the Colonial Office and the Lords of the Treasury, and limit the duties of the Colonization Commissioners to the disposal of land and the conducting of emigration.

Should it be decided to vest the custody and application of the colonial revenue fund in the Commissioners, and to charge them with the responsibility of working out the self-supporting principle of the colony, it will be necessary to give to the Commissioners, by an amended Act, such a control over the financial and economical administration of the colony as will enable them to provide, not only for the interest of the debt contracted in this country, but likewise for all the charges payable in England, and to confine the expenditure of the colony within the limits of its resources.

To effect these objects, will require the utmost caution, vigilance and forethought. The debt contracted by the Commissioners on behalf of the Crown, on the security of the future revenue of the colony, will necessarily be large. In order to pay the interest of that debt, and to defray the colonial charges payable in England, it would be incumbent on the Commissioners to devise the means and the opportunity of remitting to England the local surplus of the colony, and to prevent, as much as possible, the growth of the colonial debt. This arrangement might, however, work effectually and harmoniously. All instructions which the Commissioners might propose to transmit to the local authorities relating to revenue and finance would, in the first instance, be submitted to the approval of the Colonial Office, and thus the colonial minister would have a full and effectual control over the financial proceedings originating with the Commissioners; while, as these measures would be carried into effect in the colony, not by the authority of the Commissioners, but by orders issued from the Colonial Office, no discussion or collision between the Colonization Commissioners and the colonial government could arise.

But though the arrangement now suggested would work effectually and harmoniously in carrying out the self-supporting principle, it yet is open to objection, inasmuch as it may be considered inexpedient to delegate to a Board of Commissioners the large and extensive powers necessary to ensure its execution.

Should it be decided to vest in the Lords of the Treasury the custody and application of the Colonial Revenue Fund, and to confine the functions of the Commissioners to managing the land and the emigration, the following amendments in the South Australian Act will become necessary.

It will be necessary to introduce a clause, declaring it to be the intention of the Legislature to give to the Government at home the power of regulating the taxation, and of applying the revenue of the colony; because, without this power, the Lords of the Treasury would be unable to provide for the interest of the colonial debt, and to pay the home charges and outgoings.

It will be also necessary to introduce into the amended Act a clause transferring the business of raising the colonial revenue loans from the Colonization Commissioners to the Lords of the Treasury.

This arrangement, as well as that previously proposed, would work effectually and harmoniously.

It would divest the colony of South Australia of its present anomalous character, and place it, in relation to the Colonial Office and to the Treasury, upon the same footing upon which the other Crown colonies are placed, except in so far as relates to the self-supporting principle upon which it is founded.

It would relieve the Colonization Commissioners from their present embarrassing function of having to contract loans, without possessing power to provide for the interest; and it would bring within a comparatively narrow compass all financial discussions, either with the Treasury at home, or with the local authorities in the colony.

The Commissioners, confined to their proper business of selling land and conducting emigration, would have no pretext for intermeddling with the functions of the Governor on questions of revenue and expenditure, while the Governor, instructed not to interfere with the functions of the Commissioners, and disencumbered of the invidious power of facilitating or obstructing the appropriation of land, would not have to encounter that hostility from disappointed applicants, which has so frequently created contention and exasperated party spirit in colonies in which the acquisition of land has been in any way dependent upon the favour of local authority.

On viewing the subject in all its bearings, no doubt can be entertained of the effectual and harmonious working of the arrangement which should commit the raising, the custody, and the application of the colonial revenue fund to the Treasury and the Colonial Office, and should confine the functions of the Colonization Commissioners to the disposal of waste land, and the management of emigration.

No. 45.
R. Torrens, Esq. to Lord Glenelg, 17 August 1836.

The only objection which can be urged to this second arrangement arises out of the difficulty of giving effect to the self-supporting principle.

That the principle is capable of being carried into effect, no doubt can be entertained; but it must at the same time be acknowledged, that to give it practical effect, will not be an easy task. By whom is the task to be performed? To execute it successfully will require a vigilant investigation, and a cutting down of every item of unnecessary expense, and a skilful adaptation of taxation to the particular circumstances of the infant colony. The practical question for consideration, therefore, appears to be,—Can the Colonial Office and the Treasury, occupied as they are with the weightier affairs of the empire, give to the comparatively unimportant concerns of the new colony, the time and attention which will be requisite to carry out the self-supporting principle upon which it is founded? Can they undertake to raise the necessary loans in this country, and devise the means and the opportunity of remittance from the colony, and can they subject themselves to the demands of the bondholders, and to the charges of the colony payable in England, without any other fund out of which to pay those demands and those charges than that which the intrinsic resources of the colony, and their remittance to this country, will afford?

Should this question be decided in the negative, it will become necessary to conjoin with the arrangement now proposed, some ancillary means for regulating the expenditure and the revenue of the colony.

With respect to these means, the Commissioners will at all times be most willing to afford any assistance in their power, should Lord Glenelg be pleased to require it.

As the Government assented to the establishment of the colony on the express understanding that it should not become chargeable upon the public purse, that arrangement for its future management must be considered as the best which will best secure the fulfilment of this essential condition.

Whether the financial and economical control be retained by the Treasury, or be delegated to the Commissioners, the preservation of faith with His Majesty's Government, by confining the expenditure of the colony within the limits of its own resources, should be regarded as an object of paramount importance.

— No. 45 A. —

No. 45 A.
J. Stephen, Esq. to the Colonization Commissioners, 9 January 1837.

COPY of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners for *South Australia*.

Gentlemen, Downing-street, 9 January 1837.

I AM directed by Lord Glenelg to inform you, with reference to the former correspondence between you and this department on the subject of a proposed amendment of the present South Australian Act, that his Lordship has had under his consideration the draft of a Bill for this purpose, transmitted to him in Colonel Torrens's letter of the 1st June last, the decision of which was postponed to a future period, for the reasons stated in my letter to Colonel Torrens of the 5th July last.

Before entering into the discussion of the various points suggested by that draft, Lord Glenelg requests that he may be informed whether you are still of opinion that it will be necessary or expedient to apply to Parliament for an alteration of the existing Act; and if such should be the case, his Lordship further requests to be informed whether you would wish to suggest any alteration in the draft of the proposed Bill.

I am, &c.
(signed) *J. Stephen.*

— No. 45 B. —

No. 45 B.
Rowland Hill, Esq. to Sir G. Grey, Bart. M.P. 20 January 1837.

COPY of a LETTER from *Rowland Hill*, Esq. to Sir *G. Grey*, Bart., M.P.

Sir, South Australian Colonial Office, 6, Adelphi-terrace, 20 January 1837.

I AM directed by the Colonization Commissioners for South Australia to acknowledge the receipt of your letter of the 9th instant, inquiring whether the Commissioners are still of opinion that it will be necessary or expedient to apply to Parliament for an alteration of the existing Act, and if so, whether they wish to suggest any alteration in the draft of the proposed Bill.

In reply, I am instructed to acquaint you, for the information of Lord Glenelg, that the Commissioners still consider it necessary to apply to Parliament, with as little delay as possible, for some amendment of the existing Act; and in order that they may be enabled to form a correct opinion as to the nature and extent of the alterations which it may be desirable to make, they have instructed me to request that Lord Glenelg will be pleased to favour them with a copy of the correspondence which has taken place between the Colonial Office and the Treasury, and the law officers of the Crown, as to the proposed alterations in the South Australian Act, the custody and control of the funds, and the general financial arrangements of the colony.

I have, &c.
(signed) *Rowland Hill.*

— No. 46. —

COPY of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners of *South Australia*.

Mr. Stephen to Mr. Spearman. 1 July 1836.
Mr. Spearman. 11 August 1836.
Mr. Stephen. 19 August 1836.
Mr. Spearman. 7 October.
Instructions to Commissioners.
Instructions to the Governor.
Instructions to the treasurer of Commissioners.
Instructions to the Governor.
Instructions to the colonial treasurer.
Instructions to the auditor-general.
Instructions to the storekeeper.

Gentlemen, Downing-street, 28 January 1837.

I HAVE laid before Lord Glenelg Mr. Hill's letter of the 20th instant, conveying a request that you may be furnished with copies of the correspondence which has taken place between this department and the Treasury, and the law officers of the Crown, as to the proposed alterations in the South Australian Act, the custody and control of the funds, and the general financial arrangements of the colony; and I am directed by his Lordship to transmit to you the correspondence in question, as specified in the margin, together with a copy of a letter from the Secretary to the Treasury, bearing date the 19th instant, enclosing an extract of a Report from the Commissioners of Audit, with drafts of instructions which have been prepared for yourselves, and for various officers connected with the colony of South Australia, in regard to the receipt and expenditure of public money, and I am to request that you will return these drafts to Lord Glenelg, with any observations which it may occur to you to make with regard to them.

I am, &c.
(signed) *James Stephen.*

— No. 47. —

COPY of a LETTER from *Rowland Hill*, Esq. to *J. Stephen*, Esq.

No. 47. Rowland Hill, Esq to J. Stephen, Esq. 24 February 1837.

South Australian Colonial Office, Adelphi-terrace,
Sir, 24 February 1837.

THE Colonization Commissioners for South Australia having had under their consideration your letter of the 28th ultimo, enclosing copies of the correspondence which has taken place between the Colonial Office and the Treasury, and the law officers of the Crown, as to the proposed alterations in the South Australian Act, the custody and control of the funds, and the general financial arrangements of the colony, together with drafts of instructions which have been prepared by the Commissioners of Audit for the Colonization Commissioners, and various officers connected with South Australia, in regard to the receipt and expenditure of public money, and which Lord Glenelg is desirous of having returned with any observation which may occur to the Colonization Commissioners, I am directed to express the thanks of the Commissioners to Lord Glenelg, for the copies of the correspondence, and to state that they will direct their attention to the drafts of instructions with which they have been favoured by Lord Glenelg, and will communicate their observations upon them with as little delay as possible.

With reference to the application to Parliament for an amendment of the South Australian Act, the Commissioners, finding that the law officers of the Crown are decidedly of opinion that the present Act places the control of the revenue fund, except as regards the determination of salaries, in the hands of the Commissioners, and understanding it to be the wish of Lord Glenelg that the amendments to be proposed should be postponed if possible, have determined to confine their application to a short declaratory Act, which will get rid of ambiguity upon certain points of finance, and remove the obstacles which the present Act is supposed to present to their raising loans by annuity, the mode of procedure which they find will be most economical to the colony. The Commissioners have therefore prepared the enclosed draft of an amended Bill, which they request you will submit to Lord Glenelg; and they trust that, should his Lordship approve of the provisions it contains, he will direct the necessary steps to be taken for its being introduced without delay to Parliament.

I have, &c.
(signed) *Rowland Hill.*

— No. 48. —

COPY of a LETTER from *Rowland Hill*, Esq. to *J. Stephen*, Esq.

No. 48. Rowland Hill, Es to J. Stephen, Es 3 March 1837.

South Australian Colonial Office, Adelphi-terrace,
Sir, 3 March 1837.

THE Colonization Commissioners for South Australia having had under their consideration your letters of the 23d August and 21st ultimo, with reference to Mr. Butterworth's account for a copy of the Statutes at Large, supplied to Captain Hindmarsh on order from the Colonial-office, I am directed to acquaint you, for the information of Lord Glenelg, that, in consideration of the smallness of the amount, and of the inconvenience which may arise if the payment be further delayed, the Commissioners will give directions to their treasurer for its discharge.

The delay in liquidating this claim has arisen from the uncertainty which at present exists, regarding Lord Glenelg's wishes and intentions, as to the responsibility of controlling the expenditure of the revenue fund, whether that responsibility shall rest with the Commissioners, or with His Majesty's Government.

No. 48.
Rowland Hill, Esq. to J. Stephen, Esq. 3 March 1837.

On the 17th August last, the Commissioners had the honour of addressing Lord Glenelg on this subject through their chairman, and of submitting for Lord Glenelg's consideration two modes of conducting the financial arrangements of the colony; the first throwing the responsibility on the Commissioners, the second resting it on His Majesty's Government. To this communication the Commissioners have not as yet been favoured with a reply; and they submit to Lord Glenelg the great importance of immediately removing all doubt on this point.

The Commissioners are aware that the law officers of the Crown have decided that the Act of Parliament in its present form gives the control of the revenue fund, with certain exceptions, to the Commissioners; but they are desirous of being informed whether Lord Glenelg intends to propose such modifications of the Act as may be necessary to render that control real and efficient, or to transfer the control and responsibility entirely to His Majesty's Government. In Colonel Torrens's letter, modes of effecting one or other of these objects are submitted for consideration, and the Commissioners are exceedingly anxious to obtain Lord Glenelg's opinion thereon; they being desirous to adapt their proceedings in conformity with his Lordship's views.

An additional reason for deciding this question at the present time appears to arise out of the drafts of Instructions prepared by the Commissioners of Audit for the different officers, respecting which the Commissioners find it quite impossible to express an opinion in their present state of uncertainty.

With respect to the statement relating to myself, contained in the latter part of Mr. Butterworth's letter, a copy of which is enclosed in yours of the 21st ultimo, I beg to remark that it is altogether erroneous.

As regards the sum of 101 *l.* 6 *s.* 2 *d.*, stated to be due to the Colonial-office on account of expenses incurred in passing the letters-patent creating the colony, and in preparing the warrant appointing the commission, I am directed to state that as the drafts of these instruments were prepared by the solicitor to the commission, the Commissioners did not expect that any further expense would be incurred, and to request that they may be favoured with a statement of particulars.

I have, &c.
(signed) *Rowland Hill.*

— No. 49. —

COPY of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners for *South Australia.*

No. 49.
J. Stephen, Esq. to the Colonial Commissioners for South Australia, 23 March 1837.

Gentlemen, Downing-street, 23 March 1837.

I AM directed by Lord Glenelg to acknowledge the receipt of your secretary's letter of the 24th ultimo, enclosing the draft of a Bill for the amendment of the Act for the establishment of South Australia as a distinct province, and of the 3d instant, referring to the payment of certain demands which have been made on the funds under your control. Before offering any remarks on the draft of the Bill which you have prepared, Lord Glenelg would advert to some of the topics noticed in your secretary's letter of the 3d instant.

It is there observed that your chairman's letter of the 17th August last has not been answered, "but that you are aware that the law officers of the Crown have decided that the Act of Parliament in its present form gives the control of the revenue fund, with certain exceptions to the Commissioners." The Report from the law officers of the Crown, to which you thus refer, appeared to Lord Glenelg to supersede the necessity for discussing the questions noticed in Colonel Torrens's letter of the 17th August. Your secretary's letter of 24th February, was understood by his Lordship as an affirmation by you of the same opinion, for that letter, after referring to the opinion of the law officers of the Crown, and to Lord Glenelg's wish that the amendments to be proposed should be as few as possible, stated that "the Commissioners have determined to confine their application to a short declaratory Act," Lord Glenelg is therefore unable to understand the reasons which appeared to render necessary on the 3d instant the revival of those questions which, on the 24th ultimo, you appear to have regarded as set at rest by the opinion of His Majesty's legal advisers. His Lordship is not aware that there is any practical difficulty for the removal of which it would be necessary to apply to Parliament, excepting those which it is proposed to obviate by the Bill, a draft of which was enclosed in your secretary's letter of the 24th February. Lord Glenelg will now, therefore, advert to the terms of that draft, and will be ready to discuss the propriety of any additions to it which you may recommend, with a view to the objects mentioned in your secretary's letter of the 3d instant. But his Lordship finds it impossible to combine the discussions of the first with a review of the second of those drafts, since the two being drawn up upon different principles, are necessarily incompatible with each other.

The first clause of the Bill, enclosed in your secretary's letter of the 24th ultimo, appears to be designed to confirm, by the authority of Parliament, the construction given to the South Australian Act by the law officers of the Crown. If such be the meaning, it does not occur to Lord Glenelg why it should be necessary to apply to Parliament for this purpose, since His Majesty's Government entirely acquiesce in the construction which the statute has thus received, and are not aware of any ground on which the existence of doubts on that subject would any longer be alleged.

The

No. 49.
J. Stephen, Esq. to the Colonial Commissioners for South Australia, 23 March 1837.

The second clause authorizes the Commissioners to borrow 161,000 *l.* and 50,000 *l.*, or any part of either of those sums, on annuities for life or for years, or on perpetual annuities. Assuming that you are well founded in the opinion that the borrowing of money on annuities might, in the result, be a more economical system than that of negotiating loans, to be paid off at a period fixed, with interest in the mean time, Lord Glenelg presumes there can be no doubt that the immediate annual charge upon a loan, raised by way of annuity for life, or for a term of years, will be greater than upon an ordinary loan of money. If so, the effect of this change of the loan would be to increase the present demand on the fund from which the interest is to be drawn, that fund being the proceeds of local taxation. But before the colonists are made responsible for the payment of interest at a rate increasing, or which may possibly exceed that for which the colonial revenue is at present responsible, it appears to Lord Glenelg that the local legislature should be consulted.

The danger of their refusing to provide for the interest of these loans, appears to his Lordship so considerable, and the consequent embarrassment would be so extreme, that his Lordship is very unwilling to afford even a just ground, or a reasonable pretext, for such a refusal. It appears to him also, that the introduction into Parliament of the proposed measure should be preceded and accompanied by some estimate of the charge which it is designed to incur, and of the ways and means by which it could be provided for.

The third clause proposes, in substance, to merge into one general fund the money raised for emigration, and the money raised for other purposes, and to render this consolidated fund applicable to all the objects of the Act, although accounts would be kept between the two funds, which should ascertain how far each was indebted to the other. Whether this arrangement would be consistent with the cardinal principle of the whole scheme, is a question which appears to Lord Glenelg to admit of serious doubt. However accurately the accounts might be kept on paper, the funds arising from the sale of lands would be applied to the maintenance of the local government, and in defraying the expenses of your commission. It seems scarcely possible to devise an effectual security for replacing in the emigration fund any money abstracted from it for such purposes. If the result should be, that the money was not so replaced, there would then be an end of that system which it was the object of your commission to bring to the test of actual experiment. Lord Glenelg, however, would not wish to be understood as expressing a positive opinion on this subject, but only as requesting your attention to it before any final decision shall be taken to submit your proposal to the approbation of Parliament.

The fourth clause proposes to exempt your bonds from stamp duty. That is a question for the consideration of the Lords of the Treasury alone, and must therefore be referred to that Board; it will be desirable that you should supply Lord Glenelg with the grounds on which you claim this privilege.

The fifth clause, for the confirmation of acts done before your actual appointment by the King, appears to have been inadvertently drawn up in terms not corresponding with your real meaning. Lord Glenelg understands it to be your object to give to your acts, done before your appointment, the same validity as would have belonged to them if the appointment had been at that time actually completed; the words of the draft would give an absolute Parliamentary sanction to all those acts.

The sixth clause is intended to enable the Secretary of State to dispense with the maintenance of the guarantee, or security fund. Such terms, if used by Parliament, would of course be equivalent in effect to a positive enactment that the course thus permitted should be taken. As, however, the guarantee fund was stipulated for as an indemnity to the British Treasury against the risk of the experiment, it is impossible that Lord Glenelg should express any opinion on the subject until the Lords Commissioners of the Treasury shall have fully considered it. When his Lordship shall be in possession of your answer to this communication, he will be prepared to consult the Lords of the Treasury as to the expediency of advising the King to assent to the introduction into Parliament of such a Bill as you have suggested, which, as it directly affects the rights of the Crown in South Australia, could not, according to Parliamentary usage, be entertained until the Royal assent had been first signified.

His Lordship further directs me to suggest, that if it be decided that a Bill should be introduced into Parliament for an amendment of the South Australian Act, it may be desirable that it should be introduced by the member of your body who has a seat in the House of Commons.

With reference to your request to receive a statement of the particulars of the charge of 101 *l.* 6*s.* 2*d.* due to the cashier of this office on account of expenses incurred in passing the letters-patent, erecting the colony, and in preparing the warrant for your own appointment as Commissioners, I am directed to enclose the account as prepared by that officer, and am to observe, that the whole sum therein charged has actually been defrayed by Mr. Wilder, out of funds applicable to other services; and that in the accounts between himself and the public, Mr. Wilder will not be at liberty to take credit for any part of that payment, as part of the amount arises from fees payable to this department, it appears necessary that you should clearly understand that those fees are not received for the advantage of any individual, but constitute a part of the public revenue, which is applied in diminution of the Parliamentary grant for the support of the establishment of this office, and annually accounted for to the Lords of the Treasury.

I have, &c.

(signed) *Jas. Stephen.*

— No. 50. —

ANNO PRIMO & SECUNDO, CAP. 60.

No. 50.

AN ACT to amend an Act of the Fourth and Fifth Years of His late Majesty, empowering His Majesty to erect *South Australia* into a *British* Province or Provinces.

[31st July 1838.]

4 & 5 Will. 4, c. 95.

WHEREAS by an Act passed in the fourth and fifth years of the reign of His late Majesty, intituled, "An Act to empower His Majesty to erect South Australia into a British Province or provinces, and to provide for the Colonization and Government thereof," His Majesty was empowered, with the advice of His privy council, to erect and establish within that part of Australia which lies between the meridians of the one hundred and thirty-second and one hundred and forty-first degrees of east longitude, and between the Southern Ocean and the 26th degree of south latitude, together with the islands adjacent thereto, and the bays and gulfs thereof, one or more provinces, and to fix the respective boundaries of such provinces; and by the said Act it was enacted, that it should be lawful for His Majesty, by warrant under the sign manual, countersigned by His Majesty's Principal Secretary of State for the Colonies, to appoint three or more fit persons to be commissioners to carry certain parts of the said Act into execution, such commissioners to be styled "The Colonization Commissioners for South Australia:" And whereas by warrant under the sign manual of His said Majesty, and countersigned by the Right Honourable Charles Baron Glenelg, one of his Majesty's principal Secretaries of State having the department of the Colonies, Robert Torrens, William Alexander Mackinnon, William Hutt, John George Shaw Lefevre, George Palmer the younger, Jacob Montefiore, Samuel Mills, Edward Barnard, Josiah Roberts, and James Pennington, esquires, were duly appointed to be such Colonization Commissioners for South Australia: and whereas His said Majesty, on or about the 19th day of February 1836, by letters-patent under the great seal of Great Britain, with the advice of His privy council, and in pursuance of the powers in that behalf vested in His said Majesty by the said recited Act of Parliament, did erect and establish one province, to be called "The Province of South Australia," and did thereby fix the boundaries of the same province in manner following; (that is to say) on the north, the twenty-sixth degree of south latitude, on the south, the Southern Ocean, on the west, the one hundred and thirty-second degree of east longitude, and on the east the one hundred and forty-first degree of east longitude, including therein all and every the bays and gulfs thereof, together with the island called Kangaroo Island, and all and every other islands adjacent to the said last-mentioned island, or any part of the main land of the said province; and it was thereby provided that nothing in the said letters-patent contained should affect or be construed to affect the rights of any aboriginal natives of the said province to the actual occupation or enjoyment in their own persons, or in the persons of their descendants, of any lands therein then actually occupied or enjoyed by such natives: and whereas the sum of 35,000 *l.* has been raised by the sale of lands in the said province, and the sum of 39,000 *l.* has been raised by the issue of South Australia colonial revenue securities for the purposes in the said Act mentioned; and the sum of 20,000 *l.* part thereof, has been invested in Government securities, in the names of trustees appointed by His Majesty, as a guarantee or security fund, as required by the said Act: and whereas doubts have arisen as to the extent of the powers vested in the said Colonization Commissioners for South Australia by the said Act, and it is expedient that such powers should be more clearly defined, and that the provisions of the said Act should be amended in manner hereinafter mentioned: and whereas it is in and by the said Act provided that it should be lawful for His Majesty, his heirs and successors, with the advice of his or their privy council, to authorize and empower such persons as therein mentioned to make, ordain and establish laws, institutions and ordinances, and to constitute courts, and to appoint officers, chaplains and clergymen, and to levy rates, duties and taxes as therein mentioned; Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords spiritual and temporal, and Commons, in this present Parliament assembled, and by the authority of the same, that the aforesaid powers and authorities shall be and the same are hereby repealed; and in lieu thereof it shall and may be lawful for Her Majesty, her heirs and successors, by any order or orders to be by her or them made, with the advice of her or their privy council, to make, ordain, and by warrants under her or their sign manual (subject to such conditions and restrictions as to her or them shall seem meet) to authorize and empower any three or more persons resident and being within the said province, to make, ordain, and establish all such laws, institutions, or ordinances, and to constitute such courts, and to impose and levy such rates, duties, and taxes as may be necessary for the peace, order, and good government of Her Majesty's subjects and others within the said province; provided that all such orders, and all laws and ordinances so to be made as aforesaid, shall be laid before the Queen in Council as soon as conveniently may be after the making and enacting thereof respectively, and that the same shall not in anywise be contrary or repugnant to any of the provisions of the said recited Act or of this Act.

Powers under former Act repealed, and new powers given to Her Majesty.

II. And be it enacted, that it shall and may be lawful to and for the commissioners appointed or to be from time to time appointed under the said recited Act, to raise all or any part of the sum of 50,000 *l.* in the said Act mentioned, and all or any part of the sum of 161,000 *l.* residue of the sum of 200,000 *l.* in the said Act mentioned, and also all other monies,

Power to raise money by way of annuities.

monies which such commissioners may from time to time be authorized to raise under the powers of the said recited Act, or of this Act, or any part of the same respectively, by selling and granting perpetual annuity or annuities for any life or lives, or for any term or terms of years absolute or determinable on any life or lives, on such terms as to such commissioners shall appear reasonable; and all such annuities shall be charged and chargeable upon, and payable out of, such funds respectively as the interest of the monies authorized to be raised by the said recited Act, are by the said recited Act or this Act charged or made payable out of; and the grants of such annuities shall be in such form, and such annuities shall be payable and assignable in such manner as such commissioners shall think fit: provided always, that in every grant of any perpetual annuity, or of any annuity for any term absolute exceeding forty years, or for more than one life, or for any term determinable on the decease of more than one person, under the authority of this Act, shall be inserted an agreement or proviso that such annuity shall be redeemable or re-purchaseable by such commissioners; and it shall and may be lawful for such commissioners from time to time to re-purchase and redeem all or any of the redeemable annuities hereby authorized to be granted, with the monies accruing from such funds respectively as shall be chargeable with such annuities respectively, or (as often as it shall appear to them that the charge created by such annuities can be reduced) with money borrowed and taken up by all or any of the means by the said recited Act or this Act authorized; which money such commissioners are hereby authorized to borrow and take up accordingly.

Commissioners to apply money raised from either fund convertibly, keeping separate accounts.

III. And be it enacted, that it shall be lawful for the said commissioners, or for the commissioners to be from time to time appointed under the said recited Act, to apply all or any of the money which now is or shall from time to time be in the hands of their treasurers, to the payment of the interest on the said South Australia public land securities, and on the said South Australia colonial revenue securities respectively, and of the annuities by this Act authorized to be granted, and to the paying or defraying any expenses incurred in carrying the said recited Act and this Act into execution, or in applying for and obtaining the said recited Act and this Act, although such money should not form any part of, or have arisen from the revenue or fund charged primarily or exclusively with the payment of the interest or expenses to which it shall be so applied: Provided always, that in every case in which any money advanced out of the monies borrowed on the said South Australia colonial revenue securities, or derived from the revenue of the said province, shall be applied in aid of the emigration fund, the money so advanced shall be a debt due from the said emigration fund to the said province; and in case any part of the said emigration fund shall be applied in aid of the revenues of the said province, the monies so advanced shall be a colonial debt, owing by the said province to such commissioners on account of the said emigration fund, and distinct accounts of all such advances shall be kept in the books under the direction of such commissioners; and such advances respectively shall be repaid or replaced as soon as conveniently may be (but without interest thereon in the mean time), by such commissioners, out of the monies accruing to the fund debited with such advance; and when any money advanced from either of the said funds in aid of the other of them shall be required for the purpose of the fund from which the advance shall be made, the said commissioners shall and may borrow and take up at interest, or raise in addition to the monies which they are authorized to borrow by the said recited Act, money for repaying such advance by all or any of the means by this Act or the said recited Act authorized; and the securities on which such monies shall be so raised shall bear such names, and shall be charged upon, and payable out of such funds respectively, as the same would have been charged upon and payable out of, if such securities had been made under the powers of the said recited Act or this Act, or for the use of the fund debited with the advances so repaid: Provided always, that the amount advanced from the said emigration fund in aid of the revenues of the colony, together with the debt which may have been due to the said emigration fund at the commencement of any year, shall not at the close of any such year exceed one-third of the amount which may have accrued to the said emigration fund in the course of such year.

Power to raise money on the security of the revenue to pay debts incurred to either fund.

Proviso.

Confirmation of acts of commissioners.

IV. And whereas notice was published in the London Gazette in the month of May 1835, of the appointment of commissioners for carrying into effect certain parts of the said recited Act, but such appointment was not then signed by His Majesty, as required by the said Act: Be it enacted, that all contracts, obligations, rules, orders and regulations, matters and things whatsoever entered into, executed, made or done by the commissioners so named, or any two of them, or other the commissioners for the time being, acting under the authority or supposed authority of the said recited Act, or in the execution or supposed execution of the powers vested in them by the said Act, and not inconsistent with the provisions of the said recited Act as explained and extended by this Act, shall have the same force and validity as if the commissioners had been duly appointed before the respective periods at which such contracts, obligations, rules, orders and regulations, matters and things were respectively entered into, executed, made and done.

Commissioners may apply proceeds of sales of public lands in payment of revenue securities.

V. And whereas it is, in and by the said Act provided, that in case the commissioners should be unable to raise, by the issue of colonial revenue securities, the whole of the sum of 200,000*l.* therein mentioned, or that the ordinary revenue of the said province should be insufficient to discharge the obligations of all or any of the said securities, the public lands of the said province then remaining unsold, and the monies to be obtained by the sale thereof, should be deemed a collateral security for payment of the principal and interest of the said colonial debt; but no monies obtained by the sales of public lands were to be employed in defraying the principal or interest of the said colonial debt so long as any

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obligation created by the public land securities in the said Act mentioned should remain undischarged: And whereas the commissioners have raised the sum of
by issue of colonial revenue securities, but the said commissioners have not issued any South Australian public land securities: And whereas the ordinary revenue of the said colony hath been from the first issue of the said colonial revenue securities, and still is, insufficient to pay the interest thereon, or on any part thereof; Be it therefore enacted, that it shall and may be lawful for the said commissioners, by any order or orders signed by them, or any two of them, to direct their treasurer or treasurers to apply so much of the monies received or to be received as and for the proceeds of the sales of public lands in the said province as may be necessary in payment and discharge of all or any part of the principal due and owing, and of the interest accrued and to accrue, upon the colonial revenue securities issued or to be issued by them, and so from time to time: Provided always, that in case the said commissioners shall hereafter issue any of the South Australian public land securities in the said Act mentioned, then and in such case it shall not be lawful for the said commissioners to issue any such order as hereinbefore mentioned till such South Australian public land securities have been paid off and discharged: Provided also, that the sums so paid in pursuance of any such order shall constitute a colonial debt owing by the said province to the said commissioners as in the said Act mentioned.

Act may be altered.

VI. And be it enacted, that this Act may be amended or repealed by any Act to be passed in this present session of Parliament.

—No. 51.—

No. 51.
R. Torrens, Esq. to Lord Glenelg, 22 Dec. 1837.

Copy of a LETTER from *R. Torrens*, Esq. to Lord *Glenelg*.

My Lord, South Australian Office, 22 December 1837.

The Colonization Commissioners for South Australia, seeing the serious injury inflicted on the colony by the disunion and contentions arising out of divided authority, beg permission to submit, for the consideration of your Lordship, the enclosed minute on the means of removing an evil which, if suffered to continue, is calculated to impede, if not altogether to destroy, the rising prosperity of the new settlement. The minute was unanimously adopted by the Board at its meeting on the 20th instant, and the commissioners venture to hope that the arrangements which it recommends, or some analogous and more suitable measure for securing unity and co-operation in administering the affairs of the colony, may receive the approval of your Lordship.

I have, &c.

(signed) *Robert Torrens.*

Minute on the Means of preventing the Evils of Divided Authority in the Province of South Australia, submitted for the Consideration of Lord *Glenelg* by the Colonization Commissioners.

1. That, as far as may be found practicable and expedient, the Colonization Commissioners should be considered as bearing the same relation to the Colonial-office which the East India Company bears to the Board of Control.

2. That, subject to the approval of the Secretary of State for the Colonies, and under the authority of his signature, the Colonization Commissioners do prepare the instructions issued to the governor and council of the colony, and that the commissioners shall submit, for the approval of the Secretary of State, the regulations and instructions which they may issue respecting the sales of land, and the application of the funds at their disposal.

(signed) *Robert Torrens*, Chairman.

—No. 52.—

No. 52.
J. Stephen, Esq. to the Colonization Commissioners, 4 January 1838.

Copy of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners for *South Australia*.

Gentlemen, Downing-street, 4 January 1838.

I am directed to acquaint you, that Lord Glenelg has had under his consideration Colonel Torrens's letter of the 22d ultimo, with the minute therein enclosed, stating the course which it had been resolved at a meeting of your Board to propose to his Lordship, with a view to secure unity and co-operation in administering the affairs of the colony of South Australia, as embodied in the two following resolutions:

1. That, as far as may be found practicable and expedient, the colonization commissioners should be considered as bearing the same relation to the Colonial-office which the East India Company bears to the Board of Control; and, 2d, that, subject to the approval of the Secretary of State for the Colonies, and under the authority of his signature, the colonization commissioners do prepare the instructions issued to the governor and council of

of the colony; and that the commissioners shall submit, for the approval of the Secretary of State, the regulations and instructions which they may issue respecting the sales of land, and the application of the funds at their disposal.

No. 52. J. Stephen, Esq. to the Colonization Commissioners. 4 January 1839.

I am directed to acquaint you that Lord Glenelg is of opinion that the proposed arrangement would tend to obviate much of the inconvenience which has hitherto arisen in conducting the affairs of the settlement. His Lordship is therefore prepared to adopt it, subject of course to any alteration or modification which experience may suggest.

I have, &c.
(signed) *James Stephen.*

— No. 53. —

COPY of a LETTER from *J. Stephen*, Esq., to the Colonization Commissioners for *South Australia.*

No. 53. J. Stephen, Esq. to the Colonization Commissioners. 7 February 1838.

Gentlemen, Downing-street, 7 February 1838.

I AM directed by Lord Glenelg to acknowledge the receipt of a letter from your chairman, dated the 12th of January, and of a letter from your secretary, dated the 24th January, enclosing various drafts for his Lordship's approval.

Lord Glenelg directs me to return those drafts, and to state that it is his wish that the business of your commission should for the present, and until the future plan of proceeding can be more maturely weighed, be carried on upon the same footing as before your recent correspondence with this department on the subject. Lord Glenelg therefore abstains from expressing any opinion respecting any of the proposed letters to your officers in South Australia.

I have, &c.
(signed) *Jas. Stephen.*

— No. 54. —

COPY of a LETTER from *R. Torrens*, Esq. to *J. Stephen*, Esq.

No. 54. R. Torrens, Esq. to J. Stephen, Esq. 9 December 1839.

South Australian Colonization Office, Adelphi-terrace,
Sir, 9 December 1839.

THE Colonization Commissioners for South Australia request that Lord John Russell may be pleased to grant them the honour of an interview, in order that they may make a communication to his Lordship on the subject of their receiving remuneration for their services.

As preparatory to the requested interview, I beg permission, in compliance with the wishes of the Commissioners, to submit for the consideration of Lord John Russell a copy of the correspondence which took place between Sir George Grey and this Board, relative to the salary of the chairman.

I have, &c.
(signed) *Robert Torrens,*
Chairman of the Commission.

South Australian Colonial Office, Adelphi-terrace,
Sir, 21 February 1837.

THE Colonization Commissioners for South Australia have to acknowledge the receipt of your communication of the 10th instant, referring to the commissioners collectively the letter of the 23d ultimo, addressed by their chairman to Lord Glenelg, as well as the letters which all the commissioners then in London severally addressed to their chairman on the subject of his application to the Secretary of State, and calling upon the commissioners to express their collective opinion with respect to the practicability and expediency of the alteration in the constitution of the commission proposed by the chairman, and to the considerations which have hitherto induced Lord Glenelg to pause before he sanctioned the proposed alteration.

In reply, the Colonization Commissioners beg to state, that they have learned with great satisfaction that Lord Glenelg has been pleased to approve the general principle respecting the constitution of their body, stated in the chairman's letter to his Lordship, and in the letters of the other commissioners to the chairman, that they have reconsidered collectively the principle respecting which their sentiments were before individually expressed, and that, in compliance with Lord Glenelg's desire, they beg to submit their collective opinion upon the several points which his Lordship has been pleased to refer to them.

With respect to the circumstances that, in their Report of June last no reference was made to the alteration which they now propose, the commissioners beg to explain, that at the date of that report the arrangements for the establishment of the colony were as yet only in progress, and that the chairman, actuated by a feeling in which the commissioners collectively concur, was desirous not to revive the question of remuneration until those arrangements, entered upon under then apparently doubtful circumstances, should be finally completed, by the departure of the Governor from England.

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R. Torrens, Esq. to J. Stephen, Esq.
9 December 1839.

The question as to the authority by which a salary could be granted to one or more of the commissioners, is, as the commissioners conceive, set at rest by the 15th section of the South Australian Act. This section provides that the salaries to be paid to all such persons as may be appointed to any office under this Act, shall be fixed by the Lords of his Majesty's Treasury, and by them shall be revised from time to time, as they may deem expedient. Had the commissioners entertained any doubt as to the authority by which a salary could be granted to one or more of their body, which they never have, that doubt would have been removed by the opinion of the law officers of the Crown, communicated in Mr. Stephen's letter of the 28th ultimo, which shows that the custody, disposal and application of the whole of the revenue, as well as the Emigration Fund, with the exception of salaries, which are to be fixed by the Lords of the Treasury, rest altogether with the commissioners.

The uniform practice with respect to the authority by which salaries have been awarded and paid to all persons appointed to any office under the South Australian Act, has hitherto been in conformity with the provisions of that Act, as interpreted by the law officers of the Crown, and as the commissioners are persons appointed to office under the Act, it is conceived that the same authority which is competent to award salaries to other persons similarly appointed, cannot be incompetent to award a salary to one or more of the commissioners.

With respect to the capability of the colony to bear the additional expense, and the possibility of a charge being, either immediately or prospectively, thrown thereby upon the resources of this country, the commissioners are of opinion that securing by adequate remuneration responsible service and due attendance, so far from endangering the success of the self-supporting plan upon which the new colony has been established, will be found to be the most effectual means of preventing the failure of the pledge given to Parliament, that the resources of this country should not be charged with any expense on account of the colony. It was under this conviction that the commissioners concurred with the chairman in suggesting the expediency of rendering at least one of their body responsible for daily and constant attendance to the various business involved in the important experiment they are conducting, and of securing the attendance of such a quorum of the other members of the Board as Lord Glenelg may deem expedient; and further consideration of the subject has satisfied the commissioners that securing by adequate remuneration responsible and constant attendance is essential to the success of the undertaking.

With respect to the salary of their secretary, the commissioners beg to remark, that when the amount of that salary was recommended by them, they were not collectively aware of the arrangement which had been submitted to Mr. Spring Rice, respecting the constant and regular attendance of one of their body; had they at that time been aware that such attendance was contemplated, they might not have deemed it necessary to secure for the office of secretary a gentleman of the high qualifications of Mr. Hill. But as Mr. Hill has performed his duties to the entire satisfaction of the commissioners, and as he risked his time and labour for the many months during which it was doubtful whether the commissioners could fulfil the conditions of the Act, and be in a condition to remunerate his services, they cannot now recommend that his salary should be reduced.

The commissioners have carefully considered the further question to which Lord Glenelg has invited their attention, viz. whether in the event of his lordship judging it proper that only one member of their body should be remunerated, the member receiving the remuneration should be the chairman; and the commissioners beg to state that they are in their collective capacity of the same opinion which they have already expressed individually, that the chairman should give constant and regular attendance at the office of the commission for the purpose of digesting and preparing the business to be brought before the Board, and of superintending the execution of the measures which the Board may sanction and adopt, and that in order to secure the continuance of such services, a fixed salary should be attached to his office.

With reference to the practice in chartered or joint stock companies, the commissioners submit that their Board has no character in common with such companies, but is under the Colonial Office, a Government establishment for the management of Crown lands and revenue, and has an affinity at least in principle to the Commission for the Woods and Forests and to the Board of Control.

The territory of South Australia is more extensive than that of the United Kingdom: in the southern divisions of New Holland which have been hitherto explored, native pastures of vast extent and peculiar value have been found, and for these pastures the price of Australia wool and the rapid multiplication of Australian flocks create an annually increasing demand. From these circumstances the commissioners are led to anticipate, that at no very distant period the revenue derived from the sale of Crown lands in the province of South Australia, will become an object of no inconsiderable national importance, and they submit, that to the constitution of the commission for managing this portion of the revenue of the Crown, analogies drawn from the government of private interests and of joint stock companies are in no respect applicable.

The commissioners conceive, that the danger which Lord Glenelg apprehends of the whole authority of the commission falling into the hands of the chairman, could not arise, if an arrangement of a remunerative nature were adopted for securing the attendance of a sufficient quorum of the Board, and if it were required that without the sanction of such quorum no new or important measure should be adopted.

For these reasons, the commissioners retain collectively the opinion they expressed individually, that a fixed salary ought to be attached to the office of chairman; nor could they contemplate

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R. Torrens, Esq. to J. Stephen, Esq.
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contemplate with satisfaction the adoption of a different arrangement, which might deprive the commission of the services of the colleague by whom that office has hitherto been so satisfactorily held.

Though the commissioners recommended the amount of salary to be given to the other officers appointed under the South Australian Act, yet for obvious reasons they are desirous of abstaining from such a course on the present occasion, and of leaving it to the Secretary of State and to the Lords of the Treasury, to fix the amount of the remuneration which it may be expedient to award to one or more of the commissioners.

By order of the Board.

Sir George Grey, Bart. M.P. (signed) *Rowland Hill*, Secretary.
&c. &c. &c.

EXTRACT of a LETTER from the Colonization Commissioners for *South Australia* to Sir *George Grey*, Bart.; dated Adelphi Terrace, 16th March 1837.

"I AM directed by the Colonization Commissioners for South Australia to acknowledge the receipt of your letter of the 28th ultimo, requesting further information with reference to the proposed salary for the chairman, and to the other measures suggested in the letter of the 22d ult. from the commissioners to yourself.

In reply, I am directed to state that at the Board at which the letter of the 22d ult. was adopted, all the commissioners were present except Mr. Barnard, Mr. Mackinnon, and Mr. Palmer, each of whom, as will appear on reference to the letters which accompanied Colonel Torrens' letter of the 25th January, had previously expressed in writing his concurrence in the proposed measure.

In reference to that part of your letter which relates to an arrangement of a remunerative nature for securing the attendance of a sufficient quorum of the Board, I am desired to state, that the commissioners suggested such an arrangement as a means of preventing the danger which was apprehended by Lord Glenelg of the whole authority of the commissioners falling into the hands of the chairman; the exact mode of effecting this object, they are, however, desirous of leaving entirely with Lord Glenelg."

Gentlemen, Downing-street, 23 August 1837.

WITH reference to the correspondence which has passed between this department and yourselves, relative to the claim of Colonel Torrens to some fixed remuneration for his services as Chairman of your Board, I am directed by Lord Glenelg to acquaint you, that the Lords Commissioners of the Treasury have concurred in his Lordship's recommendation, that an allowance at the rate of 600*l.* per annum should be paid to the chairman of the South Australian Colonization Commissioners out of the funds applicable to the expenses of the colony, and with the understanding that the emoluments of the secretary of the commission shall be reduced on the first opportunity.

I have, &c.
(signed) *Jas. Stephen.*

The Colonization Commissioners for South Australia,
&c. &c. &c.

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No. 55.
Lord John Russell to the Colonization Commissioners for South Australia.
23 December 1839.

COPY of a LETTER from Lord *John Russell* to the Colonization Commissioners for *South Australia*.

Gentlemen, Downing-street, 23 December 1839.

THE letter of the 9th instant, addressed by your chairman to one of my under secretaries, proposing to hold an interview with me at this office, on the subject of your receiving remuneration for your services as commissioners for the Colonization of South Australia, has been laid before me. I avail myself of this opportunity for addressing to you a communication which it would be improper any longer to postpone.

Her Majesty's Government having taken into consideration the highly important subject of the alienation of the unsettled lands of the Crown throughout the British colonies, with a view to promote, as far as may be possible, a well regulated system of emigration, have resolved to constitute a body to superintend that service, subject to the general superintendence of Her Majesty's Principal Secretary of State having the department of the Colonies, and the Lords Commissioners of Her Majesty's Treasury.

With this view it is designed to establish a Colonial Land and Emigration Board, consisting of three members. In their persons will be united the duties at present performed by yourselves, and by the agent general for emigration; and with this view, The Queen will be advised to revoke the commission under which you are now acting, and to renew it in favour of the three members of the Board to which I refer.

It is therefore unnecessary that I should trouble you to attend at this office, on the subject of your letter of the 9th instant; or that I should express any opinion as to the expe-

No. 55.
Lord John Russell to the Colonization Commissioners for South Australia.
23 December 1839.

diency of maintaining a body of nine salaried commissioners, for the management of emigration to the single colony of South Australia. But I cannot close our official connexion without requesting you collectively to accept my grateful acknowledgment of the ability with which your duties as members of the South Australian Commission have been discharged.

I have, &c.
(signed) *John Russell.*

— No. 56. —

No. 56.
R. Torrens, T. F. Elliot, and E. E. Villiers, Esqrs., to Lord John Russell.
7 July 1840.

COPY of a LETTER from *R. Torrens, T. F. Elliot,* and *E. E. Villiers,* Esqrs. to Lord *John Russell.*

South Australian Colonization Office,
My Lord, 9, Park-street, Westminster, 7 July 1840.

WE regret that very heavy and entirely unforeseen demands, which are daily and in a rapidly increasing ratio accruing upon us, for the administration of the government of South Australia, render it necessary for us to approach your Lordship with a statement of the effect thus produced on the finances of the colony, and with a request for such guidance as under the circumstances your Lordship may think it proper that we should receive.

By the Acts 4 & 5 Will. 4, c. 95, and 1 & 2 Vict. c. 60, interpreted as they have been by the law officers of the Crown, the custody and disposal, not only of the funds derived from the sale of public lands, but also of the funds created by loans raised in this country, upon the security of the revenues and unsold lands of the province, and applicable to the support of the local government, are vested in the Colonization Commissioners. Thus a twofold duty is imposed upon us, that of disposing of the public land, and employing the proceeds of the sale in the conveyance of emigrants of the labouring class; and that of negociating loans, and of regulating the colonial expenditure. We are not merely Colonization Commissioners, in the proper sense of that term, but also Commissioners of revenue and finance, exercising as regards the province of South Australia, some functions analogous to those exercised by the Lords Commissioners of Her Majesty's Treasury, in respect to the other Crown colonies. How far this combination of power is desirable we shall not now pause to inquire, but pass to the questions which are more immediately urgent.

We find that there was no want of proper regulations on the subject of expenditure in the colony, from the late Board of Commissioners. Very careful instructions to the resident commissioner were issued by them on the 9th of November 1838, with the previous sanction of the Lords Commissioners of the Treasury. Appended to those instructions was a Schedule of Salaries, amounting to about 8,000 *l.* per annum, and in order to provide for unforeseen contingencies, the resident commissioner was permitted to extend his expenditure (if he found it unavoidable, but not otherwise), to the rate of 10,000 *l.* per annum, and to draw upon the commissioners for any part of that amount which might not be met by available funds in the colony.

The resident commissioner was desired not to undertake any public works without first submitting plans and detailed estimates to the Colonization Commissioners in this country, and he was also desired to apply to the Governor to submit to his council in January and July of every year, half-yearly estimates of revenue and expenditure, &c., the latter not to be exceeded after once they had passed the council.

By a subsequent despatch of the 8th February 1839, the resident commissioner was allowed, on account of some additional charges, to increase his expenditure to the rate of 12,000 *l.* per annum; and on the 10th of May 1839, a change in the establishment of surveyors was effected, which, as it would have entailed an excess of 4,500 *l.* beyond the salaries allotted to that department in the original schedule, may reasonably be considered to have increased by that amount the resident commissioner's credit, making the total amount of authorized expenditure for current purposes about 16,500 *l.* per annum.

With regard to extraordinary expenditure, it appears that doubts having arisen whether, under the terms of the South Australian Act, individuals might not claim to be put in possession, at the fixed price, of lands in the vicinity of Adelaide, reserved for purposes of public health and recreation as park lands, the resident commissioner was authorized on the 1st September 1838 to purchase these lands out of the public revenue. The sum to be thus laid out was not stated; but we have lately paid bills on this account to the amount of 2,300 *l.*

On the 13th April 1839, the Colonization Commissioners intimated to the resident commissioner, Colonel Gawler, that they would be ready to "afford the necessary pecuniary assistance to any moderate extent in carrying into effect a plan for constructing a wharf at Adelaide."

And on the 15th of November 1839, they approved of the commencement of the erection of a government house and other public offices, of which the total cost was estimated at 25,162 *l.*, but the portions immediately undertaken were not calculated to exceed 11,281 *l.*

Such being the principal items which we find to be recorded of sanctioned and foreknown expenditure, we now proceed to state the amount of bills which have been presented and accepted in England since the commencement of the last year.

In the first six months of 1839 the amount of bills presented and accepted was 8,560 *l.*, being at the rate of about 17,000 *l.* per annum.

In

In the second half-year of 1839, the amount was 10,600 *l.*, being at the rate of about 21,000 *l.* per annum.

If now we turn for a moment to the rate at which bills were in the course of being drawn in the colony itself, we find that the amount drawn in the last quarter of 1839, as far as they have yet reached this country, was 14,000 *l.*, being at the rate of 56,000 *l.* per annum. But the total amount of bills presented and accepted in this country in the period of less than six months which has elapsed since the commencement of the present year, has been 41,500 *l.*, being at the rate of between 80,000 *l.* and 90,000 *l.* per annum.

We need not say with how much regret and embarrassment we perceived the constantly increasing amount of these demands, unaccompanied, we are sorry to state, by any clear explanation of their causes, or by the least indication what was to be their limit. But holding in our hands very large funds, applicable by virtue of express provisions in the South Australian Act to general purposes, it would have been impossible for us to expose the credit of the colony to the ruinous shock which must have attended the dishonour of Colonel Gawler's bills. We found that it had been the practice to pay them out of the surplus of the emigration fund, and we continued that practice.

Turning from the rate at which the drafts have been coming in, we proceed to consider the means for meeting them. Your Lordship is aware that there is not any income accruing in England which is properly applicable to any purpose but that of emigration, so that each bill drawn is by the nature of the case the creation of so much additional debt.

In the colony a revenue has been gradually growing up, and we are glad to observe that during the year 1839 it had been progressively and largely increasing. The amounts appear to be as follows: first quarter of 1839, 2,862 *l.* 1 *s.*; second quarter of 1839, 4,375 *l.* 6*s.* 7 *d.*; further period to 19th August, 2,738 *l.* 14*s.* 11 *d.*; the last complete quarter being at the rate of 17,200 *l.* per annum, and the fractional period beyond reaching a rate of more than 20,000 *l.* per annum. But this revenue will constitute no set-off against the expenditure represented by the bills drawn on England. On the contrary, the resident commissioner is specially instructed to defray his authorized expenditure as far as possible by the colonial revenue, and only to draw for any excess which could not be provided for on the spot; nor is there any reason to suppose that the whole local revenue has not been expended, over and above the amount of drafts on this commission.

The only two sources from which those bills can be paid, are either loans raised in this country upon the security of the local revenues and public lands under the provisions of the 4 & 5 Will. 4, c. 95, and 1 & 2 Vict. c. 60, or else advances out of any monies received for the purchase of land in South Australia, but those advances constituting a debt (without interest) from the revenue fund, and the whole amount of such debt at the end of any one year, not to exceed a third of the receipts for land during that year.

Under the first head of a loan, the late commissioners raised a sum of 80,000 *l.*, which has been expended.

Under the second head, they had occasion to draw from the proceeds of land sales, for the payment of interest or principal of the South Australian securities, 22,535 *l.* 5*s.*, and for general purposes of revenue, 18,415 *l.* 7 *s.*, constituting a total advance of 40,950 *l.* 12 *s.* In addition to this advance, we have, in paying the heavy bills above described, created a further debt from the revenue fund to the land fund of 23,430 *l.* 1 *s.* 8 *d.*, and the accruing payments on the revenue account up to the end of August may, as far as they admit of any estimate, be assumed at about 28,500 *l.* The whole debt from the emigration fund may therefore be recapitulated as follows:

	£.	s.	d.
Under the late commissioners, to pay interest on revenue securities	22,535	5	–
Under the late commissioners, for general purposes of revenue -	18,415	17	–
Under present commissioners, the general expense of revenue to this date - - - - - - - - - - - -	23,430	1	8
TOTAL existing advances - - -	64,381	3	8
Add for further revenue payments to the end of August - -	28,500	–	–
TOTAL up to the end of August - -	£. 92,881	3	8

We have hitherto confined our view to the state of the case as affecting the revenue fund exclusively; but it is also necessary to consider the general liabilities and assets of the commission, and to this point we now proceed. In addition to the approaching payments of 28,500 *l.* above estimated on revenue account, there are also the claims for the emigration services, which constitute the more direct and proper charge on the particular funds in the commissioners' hands. The amount of such charges, necessarily arising between this date and the end of August, may be estimated at 14,200 *l.* Thus the total of probable demands on the commissioners, by the end of August, may be taken at 42,700 *l.*

The funds at their disposal, consisting of sums received in this country for the sale of lands, or received on that account in the colony, and remitted to England, amount to 37,100. Some land sales may be effected before the date above mentioned, but it is right to observe that, since the month of November last, the sales in England have been of no material amount. Even assuming, therefore, that a claim of the British Treasury for 5,000 *l.*, to be replaced to the guarantee fund, which claim has been included in the above amounts, were temporarily waived until measures were taken to provide further means,

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it appears obvious that by the end of August the existing funds of the commission would be exhausted.

Such is our present situation. It may be proper, however, to add, in order to prevent misconception, that there is nothing in the mere fact of arriving at the end of the existing funds in England which is either unforeseen or alarming. The colony of South Australia was founded on the necessity of loans for purposes of revenue, to maintain it in its infancy, and also for purposes of emigration, if the sales of land had proved inadequate to that object. No person conversant with the principles and management of the colony could have doubted that it would be necessary to raise money in the course of this year. But what could not be foreseen is, the great amount of the drafts for revenue purposes, thus requiring a larger and more immediate loan, and the evidence which has been afforded that the authority of commissioners has been quite insufficient to exercise the least control over the colonial expenditure. It remains to state the measures which have occurred to us as requisite or expedient under these circumstances.

1. By the 3d section of the Act 1 & 2 Vict. c. 60, we are expressly directed to raise upon revenue securities whatever sums may be required to repay to the emigration fund the loans advanced in aid of the revenue fund: and even if it were practicable to obtain, during the present session of Parliament, the repeal of this provision of the Act, the omission to replace the sums withdrawn from the emigration fund would be in the highest degree injurious to the colony, and, as regards the colonists, would amount to a breach of public faith. The persons who have settled in South Australia under the provisions of the existing Act did so in the expectation that the provisions of the Acts would have practical operation, and that the whole of the proceeds obtained by the sale of public lands would be ultimately employed in directing a continuous stream of emigration to the colony. The interruption of this stream would now be ruinous. All the incidental arrangements of the colony have been made in accordance with its assumed continuance. Land has been purchased under the belief that labour would be obtainable for its cultivation; houses have been erected in anticipation of the continued arrival of emigrants, and in all branches of business the employment of capital has received its direction from the expectation that population would continue to increase under the action of the whole of the fund created by the land sales. To keep up the expected, and, in the actual circumstances of the colony, the necessary stream of emigration, and at the same time to provide for the authorized expenditure of the local government, a revenue loan to the amount of 120,000*l.* will be required.

We do not anticipate any difficulty in raising the amount required upon the security of the revenue and public lands of the province. Though the large expenditure which the resident commissioner has incurred has rendered it necessary to borrow to a greater amount than would otherwise have been required, yet as a considerable portion of that expenditure has been incurred in local improvements calculated to render the colony more attractive, property more valuable, and industry more productive, it is reasonable to expect that the security upon which the loan is to be raised will have been increased in the same proportion as its amount. The expenditure of the loan will also increase the security upon which it is raised, inasmuch as the greater part of the sum borrowed will go as a repayment to the emigration fund, and will be employed in increasing the population, and consequently the consumption of taxed commodities and the demand for land.

2. By the measure just stated, provision will be made for our present wants; but we should offer a very inadequate report on this occasion if we did not further consider what means appear available for guarding against a recurrence of similar difficulties: one obvious step must be the diminution of expenditure.

The most formidable charges are those of the surveys, and of miscellaneous expenditure. In respect to the former, we have under our serious consideration the question of effecting some material reduction. With regard to the latter, it will be seen presently how far it has occurred to us that more effective checks can be placed upon the contraction of new or unauthorized expenses.

3. Whatever reduction, however, may be practicable in the survey department, we think it will be expedient to charge upon each grant of land a fixed acreable fee, equivalent to the average cost per acre of the surveys. Both in the colony and in this country public meetings have been held, at which a strong opinion was expressed that the expenses of survey should not be defrayed out of the taxes to be levied on the colonists, but that they should fall upon the purchasers of the land; and in this country, the idea was further suggested that the best way of effecting the object would be to charge the cost of the survey as a fee upon the receipt of the grant. Charging a fee, it was observed, while it could be done by authority of the governor and council, and would obviate therefore the necessity of going to Parliament to amend the section of the Act requiring that the whole of the price paid for public land shall be employed, without deduction, on promoting emigration would have the further effect of guarding the principle of employing the proceeds of the land sales on the conveyance of labour from indefinite invasion; we think, as we have above stated, that the land should pay for the surveys, and that a fee is probably the most convenient manner in which the payment could be made.

4. We propose to make no further advances from the funds at our disposal for the maintenance of a police force in the colony. When the emigrants now on their way out shall have reached their destination, the population of this province may be expected to amount to 15,000, and must be fully competent to perform, without aid from this country, the essential duties of internal defence. They must rely upon themselves, and either pay for the maintenance

maintenance of a police, or else form themselves into volunteer corps for the protection of their persons and properties, as well against offenders of their own race as natives.

5. Another measure which we should be very desirous to see adopted in the colony, is the imposition of a land-tax, the produce of which would assist in rendering the income completely equal to the expenditure, and dispense with the costly and improvident plan of continued resort to loans in this country. It is a species of tax, we may observe, which has always the further advantage of tending to prevent the accumulation in private hands of large and unprofitable tracts of waste land.

6. Whatever relief, however, may be afforded in other respects, no improvements can be effectual unless the resident commissioner be placed under a more stringent obligation to keep his drafts within the limits prescribed to him.

We propose to apprize the resident commissioner that henceforward all bills drawn upon the commission upon account of public works will be protested, except in cases in which plans and estimates for such works have been sent to this country, and authorized by this commission, with the approval of the Lords Commissioners of the Treasury.

We would further intimate to him, that unless upon extraordinary emergencies, and provided such full explanations shall have previously reached this country as to be satisfactory to this Board and the Lords Commissioners of the Treasury, he must expect that any bills which he may draw upon the commissioners for other items of unauthorized expenditure will in like manner be refused, and that he will be held personally responsible for the consequences.

In order to give effect to these directions, we shall require that the letters of advice accompanying the bills shall give some distinct conception of the services for which the bills are drawn, instead of employing a formula lately adopted in the colony, that they are "for claims incurred during the past quarter."

In this still early stage of the formation of the colony, we should be disposed to continue to allow some credit beyond the whole amount of specific authorized expenses, in the same way as was done by the late commissioners under the name of an "emergency credit;" but its rate per quarter should be exactly fixed, and each bill drawn on this account should be distinguished accordingly, and if in any one quarter the proper rate were exceeded, we conceive that the drafts in excess should at once be refused.

The resident commissioner should likewise be placed under some sufficient obligation to apply the general revenues accruing on the spot, as far as they would go, to the authorized expenditure, and only to draw upon the commissioners for the excess.

Seeing how completely every direction of the late commissioners has been set at nought, the refusal of bills is the only resource which we can see, so long as this Board is to attempt to control the finances, for preventing an unlimited and ruinous amount of demands upon the commissioners.

7. But independently of endeavouring to secure obedience to the decisions on expenses already submitted, we must remember that questions of new items of expenditure will continually arise, and some of them, as for instance, public works and buildings of great importance. In dealing with questions of this comprehensive character, involving the property of an extensive province, we feel that too large a measure of responsibility is thrown upon us. We would therefore request that your Lordship may be pleased to take into favourable consideration the expediency of giving to the colonists themselves an effectual control over the colonial expenditure. Those who pay for local improvements must be the best judges whether the value of such improvements is equivalent to the cost. A self-supporting colony should, at the earliest practicable period, possess the privilege of self government. We would therefore venture to recommend, as preparatory to the representative constitution to which the colony of South Australia will be entitled when its population shall amount to 50,000, that there might be added to the council of government some members representing the colonists at large. The means by which this desirable object might be effected we now beg permission to suggest.

The late commissioners recommended in their third annual Report that elective municipal institutions should be granted to the towns of South Australia as they respectively attain a population of 2,000. This recommendation, as we understand, was approved and santioned by Her Majesty's Government; and its adoption in the colony forms a basis from which the elective principle may be extended to the general council of the province. The plan which we would suggest for effecting this extension, is that the mayor, the senior alderman and the chairman of the common council of Adelaide for the time being, should be *ex officio* members of council; and that as elective municipal institutions are successively established in other districts and secondary towns, the chairman of each common council shall be *ex officio* a member of the general council of the province. Should this suggestion for the gradual adoption of the principle of representative government in South Australia meet your Lordship's approbation, we would further venture to recommend, that no colonial expenditure, beyond that required to pay the salaries authorized by the Lords of the Treasury, should be entered upon without the sanction of a majority of the members of council representing the municipalities of the province. We apprehend that the arrangement now submitted might be carried into effect in virtue of the Act 1 & 2 Vict. 1, c. 60, the second

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section of which empowers Her Majesty by warrants under the sign manual to appoint the members of council.

The foregoing are steps which might be adopted either by the authority of this Board, or of Her Majesty's Government, or else by that of the governor and council in the colony. We are inclined to think, however, that it will further be indispensable to resort to Parliament, early in next session, for a revision of some parts of the South Australian Acts, and the following are the reasons which lead us to that belief.

When the Government determined to sanction the experiment of establishing a colony on the principle of self-support, there was only one way by which, in the event of failure, the public could be secured against pecuniary liability; namely, by committing the whole undertaking to a corporate body, prepared to provide a sufficient amount of subscribed and paid-up capital to cover all expenses. This was the arrangement which we understand was first proposed to the Secretary of State for the Colonial Department. The colony of South Australia, as originally projected, was to have been a chartered colony, founded upon the principles which had been acted upon on the establishment of the British settlements of North America in the seventeenth century. According to this plan, an incorporated company would have exercised, by delegation from the Crown, some of the powers of sovereignty within the intended settlements; and while advancing from their own resources the sums required for planting the colony and providing for its government, would have disposed of the waste land, levied the taxes, and controlled the local expenditure. The plan of a chartered company was rejected as not conformable to modern usage; and another arrangement was adopted which, instead of divesting the Government of responsibility, and of securing the public from the risks of pecuniary liability, has, we fear, had a tendency to increase both the responsibility and the risk.

When the principle that the value conferred upon the waste lands of a new country by the introduction of European labour and capital, may enable a colony at once to support itself, was so far admitted that the Government deemed it expedient that its practical applicability should be tested by an actual experiment, and when it was determined that the conduct of the experiment should not be committed to a corporate body, supplying the preliminary expenditure out of their own independent resources, the necessary consequences were, that the whole of the responsibility and of the pecuniary risk must devolve upon the Government and upon the public, and that there were no means of diminishing the responsibility and the risk, except by providing for the requisite preliminary expenditure in the way least calculated to press heavily upon the future resources of the colony. Had it been deemed expedient that the Government should provide for the first expenses of the experiment by an issue of Exchequer bills, to be repaid out of the proceeds of the first land sales, it must be admitted that consequences of the greatest importance, as regards both the prosperity of the colony and the security of the public against pecuniary liability, would probably have ensued. The loan might have been raised at 3½ or 4 per cent. The country might have been explored, the surveys advanced, and some public works of the first necessity commenced, before the lands were sold or emigrants sent out. Had these measures been adopted, there is every probability that the colony would have been able to defray all the expenses of its establishment, and that the principle of self-support might have been fully carried out. But under the provisions of the South Australian Act, the adoption of these measures became impracticable. The commissioners appointed under the authority of this Act to conduct the experiment of establishing a self-supporting colony were required to provide for the preliminary expenditure, by raising money, not on the security of Government, but upon the security of the future revenues of a colony not yet in existence, and were consequently under the necessity of borrowing at 10 per cent., instead of at 4 per cent. They were under the necessity of selling in this country orders for land in an unexplored wilderness, to the amount of 35,000 *l.*, before they could take any steps towards engaging surveyors to proceed to the intended colony, and they were constrained to keep up a guarantee fund of 20,000 *l.*, which fund, borrowed at 10 per cent., and yielding in Exchequer bills little more than 3 per cent., fixes upon the self-supporting colony an unproductive and useless expenditure of 1,400 *l.* per annum. The guarantee fund, as was urged by the commissioners in their first annual report, so far from answering any useful purpose, creates the very danger against which it was intended to guard.

From the observations which we have now submitted, it appears evident that the South Australian Acts require revision. Between a chartered colony established and maintained at the cost of private parties, and a Crown colony established under the direct authority and responsibility of Government, there can be no intermediate arrangement enabling the Government to throw off responsibility and pecuniary liability, and to retain direction and control. Commissioners appointed by the Crown, under the authority of an Act of Parliament, are authorized agents of the Government, and their public acts, done in pursuance of the authority delegated to them are, in point of fact, the acts of a government department. The commissioners, under authority of an Act of the Legislature, and acting as officers of the Government, appointed by the Crown, have planted in South Australia a British settlement which will contain, on the arrival of those now proceeding to the colony, a population of 15,000. The population thus planted cannot be left without a government. Should the colony, from the heavy amount of debt, or from any other cause, be unable to defray its own expenses, the deficiency must be made good out of the Imperial Treasury. The provisions, however, which were introduced into the South Australian Act for the avowed purpose

of

of protecting the public purse, have not only proved burthensome and injurious to the colony, but have, as we have above observed, created the danger which they were intended to avert. Such are the grounds on which we think that the statutes relating to South Australia may be deemed to require revision at an early period of the next Session of Parliament.

One measure which, in that case, we should feel bound to propose to Her Majesty's Government, is to abolish the guarantee fund. The impolicy of keeping up that fund we have already endeavoured to explain. The object was to indemnify the home treasury for any advances which might be rendered necessary should the colonial expenditure exceed the colonial revenue; its effects has been to increase the colonial expenditure by about 1,400*l.* a year, without adding to the revenue, and thus to render it more probable that there would arise a deficiency which the Government would be compelled to make good.

Another measure, which we think might be well deserving of consideration at any fit opportunity of legislation, is the enlargement of the boundaries of South Australia.

The original territory of New South Wales comprised an area considerably greater than that of the whole of the states of the North American Union. This vast territory will at no distant period require to be divided into separate provinces. In effecting this division it will be the obvious interest and duty of the Government and the Legislature to give to each of the British provinces in New Holland such a position and extent of territory as will enable each to command the resources necessary to enable it to defray its local government. On this principle it will probably be deemed expedient that the eastern boundary of South Australia should be extended. All those districts of the province which lie north and west of the heads of the gulphs have been found, as far as hitherto explored, to consist of sterile and unavailable tracts, and it is only on the peninsula, bounded by Gulph St. Vincent, Lake Alexandria, and the Murray, that any considerable extent of fertile land has been discovered. It cannot be disguised that some uncertainty must exist as to whether a territory thus limited can be made to provide the means of defraying the expense of its local administration. Had the settlement been planted in the most economical manner, had the loans been raised under the guarantee of Government, and had the country been laid out and prepared for the reception of the emigrants previous to their arrival, the discovery that in so large a portion of the province the lands were unavailable, must have abated our confidence in the success of the self-supporting principle as applied within the present limits of South Australia. But when, on the contrary, the peculiar disadvantages we have attempted to describe are taken into account, the danger appears the more imminent, that the expenses of the colony may ultimately fall upon the mother country. It is, in order to guard against this otherwise probable contingency, that we would throw out the idea of enlarging the boundaries of the province.

On general principles, it would seem expedinet that the long extent of available territory situated on the southern promontory of New Holland, between Gulph St. Vincent and Two-fold Bay, should be divided in something like equal proportions between the two provinces, of which Port Adelaide and Port Philip may be considered as the respective centres. Under the actual circumstances which have occurred, this equal division becomes the more advisable. Had the country been explored before it was created into a province, the boundary of the colony, instead of embracing a wide range of unavailable territory to the north and the west, would have been thrown further to the south and the east. The proposed extension of the province is necessary, in order to rectify this original error in determining its position. Such an extension would be no more than an equitable adjustment as regards the colonists, while it would afford the only real guarantee which it is possible for the Government to obtain, that the expenses of the colony shall not fall upon the public purse. Were the available territory forming the southern promontory of New Holland divided into nearly equal proportions between the eastern and western provinces, the ordinary revenue of South Australia would be equal to the ordinary expenditure on account of the local administration, while the proceeds obtained by the sale of the public lands would become amply sufficient to discharge the debt for which they are a collateral security.

Requesting that your Lordship will take into consideration the statements and recommendation which we have now submitted, and favour us with such instructions and suggestions as may appear to your Lordship proper in this crisis of the experiment to administer the affairs of the colony of South Australia in such a way as to prevent its becoming a burthen upon the resources of the mother country,

We have, &c.

(signed) *Robert Torrens.*
J. Frederick Elliot.
E. E. Villiers.

— No. 57. —

No. 57.
J. Stephen, Esq. to the Colonization Commissioners, 13 July 1840.

COPY of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners for *South Australia*.

Downing-street, 13 July 1840.

Gentlemen,

I AM directed by Lord John Russell to acknowledge the receipt of your communication of the 7th instant, in which you bring under the consideration of Her Majesty's Government the state of the finances of South Australia.

Lord John Russell has read with extreme regret the unfavourable statement which your report contains. It is his Lordship's intention to institute the fullest investigation into the whole condition of South Australia, and to adopt the most effectual measures for preventing that ruin which now threatens the colony. In the meantime Lord John Russell has expressed to the Lords Commissioners of the Treasury his decided opinion, that it will be necessary for Her Majesty's Government, as part of the system on which the colony is founded, to authorize you to raise at once a loan to the amount which you propose of 120,000*l.*, under the provisions of the Act of Parliament, on the security of the revenues and public lands of the colony.

I transmit to you, for your information, a copy of a despatch which his Lordship has addressed to Colonel Gawler on this subject.

I am, &c.
(signed) *Jas. Stephen.*

— No. 58. —

No. 58.
J. Stephen to C. E. Trevelyan, Esq.
13 July 1840.

COPY of a LETTER from *J. Stephen* to *C. E. Trevelyan*, Esq.

Downing-street, 13 July 1840.

Sir,

7th July.

I AM directed by Lord John Russell to transmit to you, for the consideration of the Lords Commissioners of the Treasury, the enclosed copy of a report from the Colonization Commissioners for South Australia, in which they bring under the notice of Her Majesty's Government the financial condition of that colony.

It is Lord John Russell's intention to institute the fullest investigation into the affairs of South Australia, and to adopt such measures as may be best calculated to check the embarrassments in which the colony is now involved, and to prevent the ruinous consequences which would inevitably follow.

In the meantime Lord John Russell considers it absolutely necessary, as a part of the system on which the colony is founded, that Her Majesty's Government should authorize the Commissioners to raise a loan to the amount which they propose of 120,000*l.*, under the provisions of the Act, on the security of the revenues and public lands of the colony; and his Lordship is of opinion that this authority should be conveyed to the commissioners with the least possible delay.

I am, &c.
(signed) *Jas. Stephen.*

— No. 59. —

No. 59.
Lord John Russell to Gov. Gawler, 13 July 1840.

(No. 12.)

COPY of a DESPATCH from Lord *John Russell* to Governor *Gawler*.

Downing-street, 13 July 1840.

Sir,

I RECEIVED your despatch, No. 21, of the 30th of October last, in which you inclosed a copy of a communication which you had addressed to the South Australian Commissioners, representing the impossibility of remaining in your government with a less salary than 2,000*l.* a year, and tendering the resignation of your offices of Governor and Resident Commissioner, in the event of its being found impracticable to assign to you that amount of salary from the commencement of the present year.

I deferred the consideration of this question until I should have been placed in possession of the sentiments of the Commissioners on the subject. In the meantime I received from them a Report, of which the enclosed is a copy, entering into a full review of the financial condition and prospects of the colony.

7th July.

Your despatch, No. 1, of the 22d of January 1839, had led Her Majesty's Government to perceive that your government was in a state of considerable embarrassment, and that it required the utmost energy, prudence, and foresight, to extricate the colony from its difficulties.

It was not, however, until I was placed in possession of this report, that I was made aware of the actual embarrassments of the colony.

Under the circumstances stated by the Commissioners, it is obviously impossible to make any increase to the official incomes of the public officers of the colony; and I regret, therefore, that I cannot recommend to the Lords Commissioners of the Treasury to sanction

sanction the grant of the salary which you propose. If you persist in resigning your office on that ground, I shall have no alternative but to advise Her Majesty to accept that resignation.

No. 59, Lord John Russell to Gov. Gawler. 13 July 1840.

In the meantime, I have to request that you will transmit a full report to Her Majesty's Government upon the statements made by the Commissioners in the inclosed communication. I cannot but express my surprise and concern at the large expenditure into which the colony has been plunged, and I most earnestly hope that you will use every endeavour to arrest the difficulties in which it is placed.

I shall look with anxiety for an early report on the state of the colony.

I have, &c.
(signed) *J. Russell.*

—No. 60.—

COPY of a LETTER from *C. E. Trevelyan*, Esq. to *J. Stephen*, Esq.

No. 60. C. E. Trevelyan, Esq. to J. Stephen, Esq. 18 July 1840.

Sir, Treasury Chambers, 18 July 1840.

THE Lords Commissioners of Her Majesty's Treasury having had under their consideration your letter, dated 13th instant, transmitting copy of a report from the Colonization Commissioners for South Australia, in which they bring under the notice of Her Majesty's Government the financial condition of that Colony, I am commanded to request that you will acquaint Lord John Russell, that My Lords do not dissent from the views entertained by his Lordship, as to the necessity for the Commissioners having recourse forthwith to the exercise of the powers with which they are invested by Acts relating to the settlement, for raising by way of loan on the South Australian Colonial Revenue Securities the further sum of 120,000 *l.* to meet the very heavy and unforeseen demands, to which they report that they are unexpectedly exposed for the administration of the local government.

You will also at the same time state, that My Lords entirely concur in opinion with Lord John Russell as to the necessity for a full investigation of the circumstances which have occasioned so very large an amount of expenditure, as appears from the representation of the Commissioners to have been incurred in the colony, and for the adoption of such measures as will effectually control the proceedings of the authorities in the settlement in this respect, and prevent the ruinous consequences which must otherwise unavoidably result therefrom.

I am, &c.
(signed) *C. E. Trevelyan.*

—No. 61.—

COPY of a LETTER from *J. Stephen*, Esq., to the Colonization Commissioners for South Australia.

No. 61. J. Stephen, Esq, to the Colonization Commissioners. 20 July 1840.

Gentlemen, Downing-street, 20 July 1840.

WITH reference to my letter of the 13th instant, I am directed by Lord John Russell to transmit to you, for your information and guidance, the copy of a letter from the Secretary to the Board of Treasury, conveying the sanction of the Lords Commissioners to your raising by way of loan on the South Australian Colonial Revenue Securities, the further sum of 120,000 *l.* to meet the demands for the administration of the local government.

18 July 1840.

I have, &c.
(signed) *James Stephen.*

—No. 62.—

COPY of a LETTER from *R. Torrens*, *T. F. Elliot*, Esqrs., and the Hon. *E. E. Villiers*, to *J. Stephen*, Esq.

No. 62. R. Torrens, T. F. Elliot, Esqrs. and the Hon. E. E. Villiers, to J. Stephen, Esq. 26 August 1840.

South Australian Colonization Office,
Sir, 9, Park-street, Westminster, 26 August 1840.

IN reference to our letter of the 7th ultimo, in which we presented to you, for Lord John Russell's information, a full account of the financial condition of South Australia up to that period, we have been awaiting a definite result of the measures entered upon, for the purpose of raising a loan, in order to make a statement of our subsequent proceedings, and of any intelligence received from the colony since the date of our former communication.

But we now feel it our duty, before adverting to any other point, to report that there have this week been presented to us, from the Resident Commissioner, eight bills, amounting jointly to the sum of about 3,000 *l.*, which, if we ordered our treasurer to accept, our liabilities would immediately exceed our means to meet them. We have further to state, that the highest number amongst these eight bills exceeds, by nearly 50, the highest number we had previously received; and that, upon examining the accounts, we find that, in point of

No. 62.
R. Torrens, T. F. Elliot, Esqrs. and the Hon. E. E. Villiers, to J. Stephen, Esq.
26 August 1840.

fact, 44 bills of earlier date than the latest now presented have not yet come to hand. The average value of each bill received during the year has been about 380*l.* It is right to explain, however, before founding any calculation on these data, that there is no reason to suppose that the bill which happens to be the latest of those which have reached us forms any resting-place, or any term to the damands upon us. On the contrary, as will appear in a future part of this letter, continued drafts from the colony must be looked for at a rate at least equal to that which has prevailed from the beginning of this year. The amount then of the 44 outstanding bills, prior in date to some that have actually arrived, and which may, therefore, be expected immediately, may be estimated at upwards of 16,000*l.*, independently of all future drafts from the Resident Commissioner; and at the same time, as we have mentioned, we have not funds to pay at maturity the sum of 3,000*l.*, for which bills are already presented.

Such being the immediate emergency which presses for consideration, we now turn to report our proceedings, and the information received by us subsequently to our communication of the 7th July on this subject.

In that letter we withheld no part of the case from Her Majesty's Government, as far as it fell within our knowledge. We stated that, by the end of this month (and we deeply regret that our calculation has proved correct), our existing funds would be exhausted; and we requested a sanction to the measure of endeavouring to raise a loan, under the provisions for that purpose of the Act of Parliament. Lord John Russell promptly conveyed to us an answer in the affirmative. Immediately upon receiving that sanction, we proceeded to advertise for the proposed loan of 120,000*l.*; but, upon the day appointed to receive public tenders no offer was made. We then entered into communication with some parties friendly to the colony, and of the highest character and influence in the city of London, with a view of effecting the object by private contract; and although the apprehensions which arose on the foreign relations of the country interrupted the progress of arrangements, we have every reason to believe that, within a very short period from this time, the measure might be completed.

In the mean while we regret to say that the tenor of the advices from the Resident Commissioner materially changes the aspect of the case as to the adequacy of the loan, and also can hardly do otherwise than suggest some serious questions respecting the nature of the information to the public upon which it should be raised.

When we formerly reported upon this subject, it was impossible to know, in the absence which existed of all distinct information, that the excessive rate at which the Resident Commissioner was drawing upon this country, was looked to by him as a permanent resource. It was far more reasonable to suppose, that in venturing to calculate so largely on the readiness of those who are charged in this country with the protection of the interests of the colony, in reckoning on their power, as well as on their consent, to pay bills exceeding by nine or ten times the amount they had said they were prepared to provide for, the object was to surmount some special and temporary period of supposed emergency; for the very Acts of Parliament under which the colony was founded, presented an absolute bar to raising funds to meet the bills, if the rate at which they were then proceeding were continued. Even if the colonial officers could imagine that the disposition to lend money, however often resorted to, would have no bounds, they might have been expected to remember that at any rate the power of the Commissioners to borrow, had, by wise provisions in the fundamental laws of the colony, a strictly defined limit.

February 1840.
February 1840.

We lament to say, however, that by the despatches received since our last communication, and which are so important that we annex copies of them, this consideration appears to have escaped every person in authority in the colony.

The first of the two despatches announces, that as no further sale could at that moment be commanded of bills on the Commissioners, 15,000*l.* had been borrowed of the Bank of South Australia, in violation of the standing instructions of the Commissioners, to prevent any delay in settling all salaries and other claims upon the public on the 1st January 1840. It is distressing to perceive the blindness to the real difficulties of the colony which the arguments employed in favour of this measure betray. Much stress is laid on the discredit which would ensue, if every amount due at the beginning of the year, could not be paid off punctually to the day; but not a thought is bestowed on the far more serious, and possibly fatal discredit to the colony, if drafts from its government being presented in this country, there were no assets to meet them. The only limit to drawing bills on the Commismissioners is shown to have been the possibility or otherwise of getting rid of them in the colony; the idea of the home funds being exhausted seems never to have occurred to any one.

The next depatch is still more material, as affording, for the first time that we are aware of, the means of forming some conjecture of the extent to which the demands on this Commission may be expected prospectively. One of the enclosures contains a statement of the expenditure for the last quarter of 1839, being the first clear statement we have ever yet been able to see of one whole quarter's expenditure. The amount is upwards of 34,000*l.* The Resident Commissioner in his despatch states, that he sees no prospect of reducing the same rate for some quarters to come, Until instructions can reach him, therefore, we may understand that the expenditure will continue at a rate approaching 140,000*l.* per annum. Deducting the colonial revenue, which has lately reached a rate of more than 20,000*l.*, there will still remain nearly 120,000*l.* to provide for. With regard to any measures for increasing the local revenue, the Resident Commissioner explains, that the "difficulties in the way of legislation, especially on this subject," have been "immense." For the balance of

120,000*l.*,

120,000 *l.*, therefore, the resource must continue to be the sale of bills drawn without authority upon the colonization Commissioners in England,

Before quitting the subject of the late advices from the colony, we may perhaps most conveniently mention in this place an irregularity which has appeared in several of the recent bills. The commissioners' instructions require that none should be drawn except for claims actually due, and that the letters of advice, countersigned by the Resident Commissioner, should declare no part of the payment to be in advance. A statement to this effect is accordingly printed on the face of those letters. But in various instances lately, a pen has been drawn through the statement thus inserted in the commissioners' forms, and instead of it an intimation substituted, that the proceeds of the bills "will be" devoted to the expenses of the "current quarter." It must be quite unnecessary to point out to Lord John Russell's notice the objections to this practice. We enclose a copy of our letter to Colonel Gawler immediately that it attracted our notice, expressing our strong disapprobation of it, and peremptorily prohibiting its continuance.

To return now to the loan: out of the proposed amount of 120,000 *l.*, 90,000 *l.*, as we showed in our letter of the 7th ultimo, must be paid before the end of the year to a fund exclusively reserved for emigration. The remaining 30,000 *l.* might, under any course in the colony which could be considered probable, have been expected to suffice to meet the future demands on revenue account, at any rate until fresh instructions could arrive from home. Under the commissioners' instructions to Colonel Gawler, this sum would have been adequate to defray the whole expenditure of the colony for nearly two years, without any aid at all from local revenue. And had the large drafts of the Resident Commissioner been drawn for any temporary exigency, which we have observed to have been so much more easily conceivable than that he looked to their permanent continuance, the same sum might still have been expected to rescue the colony from the impending dishonour of its government drafts. But at the rate at which it now appears that the bills will constantly be maintained, a sum of 30,000 *l.* would scarcely last three months.

For the purpose, then, of both meeting the Resident Commissioner's drafts, and also repaying the debt to the emigration fund, the proposed loan would be ineffectual. But should it be decided to reject the demands which have been made upon us with such want of consideration, a loan to the extent of 100,000 *l.* might at least have the other use of enabling us to comply with the Act of Parliament, by replenishing the emigration fund, and also of giving us the means to pay various heavy claims, which we regret to say remain to be received on account of ships gone to the colony during the past twelvemonth. This view, however, brings us to the second question suggested by us, namely, whether we can with propriety negotiate a loan by private contract, under such circumstances, without any intimation to the parties of the real state of the colony?

Within a few days the Parliamentary Report from the late Board will appear for the year 1839, representing that during that period the state of the colony continued flourishing, and as far as we could ourselves supply any information of a statistical nature, it would relate to periods when all the unfavourable elements in the finance of the colony would not be apparent. In every official source of intelligence accessible to the public, there is nothing to excite the alarm of capitalists; there is much to attract their confidence. How, then, would it be possible, under such circumstances, to take a loan of 120,000 *l.* by private contract without explanation, but with the full knowledge that we were on the eve of a severe shock to the credit of the colony, which must immediately and severely depreciate the marketable value of the new securities? The act is one which we are well convinced no Government would require of us, or knowingly permit; we need hardly add that it is one which we can never perform.

This, then, is the dilemma to which, with deep concern, we feel that the interests of the colony are reduced. If payment of Colonel Gawler's bills is to be attempted, no loan which it is in the power of the Commissioners to raise, would be of any avail. If payment is to be refused, the credit of the colony must for the present be so severely shaken, that it must be doubtful whether any loan at all could be obtained.

This last conclusion is the more to be regretted, because the motives for desiring to procure funds, even though the Government bills were still to be rejected, are very weighty. To all persons who have purchased land in the colony, the public faith is pledged that the purchase-money shall sooner or later be expended in the introduction of emigrants. Advances from the proceeds of sales to the revenue fund are indeed authorized, but the Act of Parliament distinctly requires that at the end of every year, all, save one-third of the amount of that year's sales of land, must be replaced to the emigration fund. The sales in 1840, like those in the latter part of 1839, have been comparatively trifling. By the end of this year, therefore, we are required, by express provisions of law, to have raised a loan, if it were possible, for repaying the greater part of the debt of 90,000 *l.* to the emigration fund. We have shown the reasons why there seems no prospect of being able to obey the law; we can only now throw ourselves on the protection of Her Majesty's Government for such directions as may appear expedient in this singular difficulty, brought on by no acts within our control, and for such measures hereafter as the case may require.

In the preceding statement our object has been to endeavour to present a distinct view of the facts and of the questions for consideration, rather than indulge in comments, which will suggest themselves much better to Lord John Russell's mind, or in the expression of regrets, which it must be obvious we cannot but deeply entertain. There are, however, one or two reflections which we are unwilling altogether to omit.

In the first place it is with much concern that we have been compelled to object so strongly to several of the proceedings of Colonel Gawler. That officer has, we understand,

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always borne a high character. In his government he appears to have displayed many qualities deserving of great respect. He has shown, in trying circumstances, both firmness and moderation. He put an end to dissensions, which previously to his arrival had distracted the colony. There are many other indications of his possessing a faculty of exercising a beneficial influence over the public mind. From the tenor also of his despatches, we cannot doubt that he has been animated with a sincere desire to improve the organization of the public departments, which had in South Australia been so unfortunately imperfect and irregular. All these merits we gladly concede to Colonel Gawler. But upon subjects of finance it is not to be concealed that he appears to us to have fatally erred in judgment. His difficulties were doubtless many. We are glad also that we can refer to one of the despatches which form the enclosures of this letter, as containing his own explanations of what he considered the necessity for the expenditure he has incurred. To Lord John Russell's judgment we leave those explanations and views. The only remark we feel bound to make is, that in all matters of expenditure, we apprehend it cannot be enough to show that a particular object was in itself highly important, but that the other question whether means could be reasonably anticipated to defray it, must be deemed to form quite as essential a consideration. It is most unwillingly that we have touched on this branch of our subject, but the occasion calls upon us to be explicit, for it certainly brings into immediate jeopardy the principle of self-support in South Australia.

One other personal topic to which we must still more reluctantly allude, though we shall by no means say all upon it now that we could, if necessary, allege, is our own position. It is a very painful one. When the new Commissioners entered on their duties, South Australia enjoyed the reputation of being one of the most flourishing of recent British settlements. One of the last statements of their predecessors, in their forthcoming Report, will be, that up to the termination of their duties the colony had proceeded with complete success. Almost within six months afterwards, it devolves on us to exhibit the colony in a state of crisis, and to show the probable defeat of that experiment of self-support, which has been watched by numerous persons with so much deserved interest, and so many good wishes; and yet it is beyond all dispute that this unhappy change can in no way be traced to any act or influence of the new Board. From the time that our attention has been fixed on the finance of the colony, it has been our lot to be witnesses, but witnesses only, of a constant accession of fresh embarrassments and dangers, produced by causes quite independent of our control; for throughout the proceedings which have led to the existing dilemma, the Resident Commissioner has been acting under the impression that he is still under the original authority. Every one of the despatches we have had with so much regret to examine, in this letter, is addressed to the former Board. Up to the latest moment of which there are accounts, the very fact of the change in the Commission was not so much as known in the colony.

We have always done our predecessors the justice to state, that there was no want of precision in their instructions on the subject of expenditure. Even supposing that the Resident Commissioner were right in considering the letter of these instructions in some respects impracticable, at least he might have understood that the total amount of the sanctioned expenditure must, till further directions, be taken as an index to the total amount for which the authorities in this country could provide, and he should have kept any alterations he ventured to make, within that limit. But while we have thus done justice to our predecessors, it is not less due to ourselves, to point out, as we have done, that, at any rate, the measures which have led to the present misfortunes, are, in every respect whatever, independent of even the existence of the new Commissioners.

We feel, no doubt, that, under these circumstances, it will be the desire of Her Majesty's Government to afford us every guidance and support in the difficulty to which we find ourselves reduced, fraught as it is with so much importance to the future destinies of the colony. We beg, therefore, to apply, in the first place, for immediate directions as to the course which it will be proper to adopt upon the bills now offered for acceptance, and likewise to request any suggestions with which it may be deemed right to favour us on the question of the loan. Contingent on the decision of these principal questions, will be various others also of considerable magnitude, to which we would propose to invite the attention of Lord John Russell, when the primary points for consideration are settled.

We have, &c.
(signed) *Robert Torrens.*
T. Frederick Elliot.
E. E. Villiers.

COPY of a DESPATCH from Governor *Gawler* to Colonel *Torrens.*

(No. 9, Finance.)

Sir,

Adelaide, 3 February 1840.

I HAVE the honour to acquaint the Commissioners that, during my absence from Adelaide in December last, the colonial treasurer transmitted to Mr. Gouger and Mr. Hall, who were temporarily discharging the duties of the government and land offices respectively, a very interesting Report upon the then existing state of the financial affairs of this province, a copy of which is enclosed. The colonial secretary and acting assistant commissioner, having attentively considered the treasurer's report, and having conversed with Mr. Jackson on the subject, considered it to be of so much importance to protect the credit of the colonial government, by securing adequate means for the disbursement of all claims on the public funds

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funds which might become due on 1st January 1840, that regarding the date of my return to Adelaide as uncertain, they felt it their duty to communicate with David M'Laren and Edward Stephens, esquires, with a view to ascertain from those gentlemen whether they, as representatives of the South Australian Company, would place to the credit of the colonial treasurer's account in this bank, such a sum, not exceeding 15,000*l.*, as might be found necessary to enable the treasurer to meet the several claims of the public creditors for the quarter ending 31st December.

Messrs. M'Laren and Stephens acceded to the proposal which was made to them, and it was finally agreed that the bank should give the colonial treasurer credit, on the 31st December, for 15,000*l.* That 3,000*l.* should be transferred on the 1st January, from the emigration fund, to pay off a portion of this loan, and that the remaining sum of 12,000*l.* should be paid off on or before 31st March 1840, with interest at 12 per cent. per annum, on the daily balance. The treasurer was to give the cashier of the bank 15 promissory notes for 1,000*l.* each, to be redeemed from time to time during the current quarter, and the colonial secretary and acting assistant commissioner to give a guarantee, on their personal securities, that the loan should be repaid to the bank.

On my return to Adelaide on the 27th December, finding that the arangement above described had been completed, I sanctioned and confirmed it, as the best that could have been adopted under the circumstances.

I beg to assure the Commissioners that the clause in their instructions, which prohibits the raising money in the colony by way of loan, was neither forgotten nor wantonly disregarded in this case; but Mr. Gouger, Mr. Hall, and Mr. Jackson, fully acquainted with the Commissioners' instructions, and deeply sensible of the responsibility which they incurred, deliberately adopted the course above mentioned, from a conviction that it was their duty to protect the Commissioners and the colonial government from the dishonour, and the public creditors from the almost ruinous distress, which the insolvency of the colonial treasury must have caused.

I trust, therefore, that the Commissioners, in perusing the inclosed Report from Mr. Jackson, a man of clear perception and sound judgment on financial questions, and of sterling integrity of character, will rest assured that the proceeding, however irregular it may at first sight appear, was, under the circumstances, necessary, and consequently justifiable, and that with this explanation they will understand and approve of the transaction.

I have, &c.
(signed) *Geo. Gawler,* Resident Commissioner.

Sir, Colonial Treasury, 10 December 1839.

Having been now upwards of two months in charge of the colonial treasury, and had opportunities, in consequence, of making myself acquainted with the position of your Excellency's government with respect to its local financial arrangements, I have felt it a duty, in the situation to which I have been appointed by your Excellency's favour, respectfully to solicit your Excellency's attention to the immediate difficulties of that position, and to the proposals which I have now the honour to submit to your Excellency's consideration, with the view of obviating them. The approach of the termination of the year, when large sums will become due by the local government, but for the payment of which we are at the present time wholly unprepared, renders this duty at once urgent and imperative.

2. Upon my appointment to the treasurership, on the 1st October last, I found no balance to receive from my predecessor. On the contrary, my first act was to obtain a warrant from your Excellency for the quarterly transfer of three thousand pounds (3,000*l.*) from the land fund to the revenue fund, and by that means, and also by drawing bills on the Commissioners in England, to place the Treasury in funds for the payment of a large amount due for the past quarter. The anomaly presented itself of my predecessor having to draw cheques on the last day of his charge, to a very large amount, with no funds in his possession (as I believe); to meet which, however, your Excellency was pleased to authorize the only plan which could be adopted under the circumstances; without relieving my predecessor of his responsibility for the accounts of the quarter, in which he was treasurer, your Excellency authorized that the bank should honour Mr. Gilles's drafts out of the funds that might be in my possession.

3. It was my wish from the moment of my taking charge, that by the end of the year I should have funds in the bank more than equal to all the expenditure of the current quarter then remaining undisbursed; so, in future, preparing for the payment of accounts before they were due, and not after. I find, however, that there is likely to be considerable difficulty in effecting this object for the present quarter, confining ourselves to the means hitherto in use for placing the treasury in funds, namely, drawing bills on the Commissioners in England.

4. I have deposited in the bank, up to the present time, nearly twenty-four thousand pounds (24,000*l.*) in the shape of customs dues, fines, &c., and proceeds of bills on the Commissioners (exclusively, of course, of the land fund deposits), these last forming by far the most important item. I have further paid Messrs. East and Breeze a claim of fifteen hundred pounds (1,500*l.*) by bills to that amount drawn on the Commissioners, and which thus never went through the bank; and I may be required, to cover current expenses between this and the end of the quarter, to dispose of bills to the amount of 2,000*l.* or 3,000*l.* more; thus, already, requiring the charge side of my account for the present quarter to amount to, say,

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say twenty-eight thousand pounds (28,000*l.*), of which upwards of twenty thousand (20,000*l.*) would be proceeds of bills of exchange. But of this total of 28,000*l.* about twelve thousand (12,000*l.*) will have been paid to Mr. Gilles on account of the outstanding claims of the last quarter; and taking then that sum as a criterion (and I have no other) of what may be due at the end of this quarter also, your Excellency will perceive that in order to meet, by ways and means provided beforehand, the whole expenses of the quarter, after paying, as I have done, Mr. Gilles's outstanding accounts for the past quarter, I should have to charge myself in this one quarter with about forty thousand pounds (40,000*l.*); and here it is that your Excellency, I think, will perceive the difficulty of obtaining this amount by the ordinary means at the disposal of the government.

5. From the foregoing statement your Excellency will gather that, having already sold or disposed of about 17,500*l.* of bills, in order to place ourselves in funds, we want, as above stated, say 2,500*l.* more for current expenses, and 12,000*l.* more for what will fall due by the end of the quarter; that is, in the space of three months, if our wants are to be met by the disposal of bills alone, we shall have to dispose of bills to the amount of thirty-two thousand pounds (32,000 *l.*) It is the disposal of so large an amount that will create, as I apprehend, an insurmountable difficulty.

6. Your Excellency will be aware that foreign bills of exchange to any amount are not always a marketable commodity. It is very true, that in this colony, at present without any export trade, considerable sums become due to foreign importers, which can only be paid for in money, or in bills purchased by that money; and, as bills present a mode of remittance much more convenient than specie, bills will always be disposable when money is required to be remitted. But after all, your Excellency, whatever may be the circumstances of the colony, the limit to the sellers of bills of exchange is bounded by the immediate necessities of parties to remit money. Now, when it is considered that there are many emigrants arriving here with large credit in England, or in the neighbouring colonies, and that our two banks have extensive credit in London, and one of them in almost every commercial depôt in the eastern seas (whence we are accustomed to receive supplies), we are not to be surprised, your Excellency, when, in addition to drafts from these quarters, we come into the market to dispose of bills to the amount of 32,000*l.*, in one three months, and find a difficulty in disposing of the whole amount; and that difficulty is not one of mere anticipation; I have had, for the last fortnight, two of the series of bills countersigned by your Excellency, previously to your late departure into the interior, which I cannot dispose of.

7. It may also be observed, your Excellency, that we have rivals in the banks, who may feel justified, in prosecution of their own interests, in thowing obstacles in the way of our disposal of bills, and this they have the power of doing to a very considerable extent. It is simply necessary on this point to observe, that a person disposed to buy bills of me will frequently be at the mercy of the bank to place him in funds (by the discounting of his paper) to be enabled to do so, and under these circumstances it may be often to his advantage to keep on good terms with his bank, by consenting to buy their bills at a higher rate of premium than that for which we would gladly dispose of them.

8. Upon the paramount necessity of our being no longer in the situation of owing money, and having none to pay with, I am sure your Excellency will fully agree with me. The credit of your Excellency's government demands that when persons apply at this treasury with accounts due to them, and bearing your Excellency's authority to pay them, they should be paid promptly. The public accounts, to be kept in a satisfactory manner, should be in a constant state of preparation for closing, as they cannot be with an account constantly overdrawn at the bank; and particularly at the end of a quarter we should not be in this condition, as it prevents our publishing the quarterly abstracts of receipts and expenditure in a manner which would show those documents to tally with the books of my department. We should be exhibiting, as receipts of a quarter, what would, in point of fact, be received in a subsequent, though it would be true they would be destined for the use of the preceding, quarter. And we are pressed by claimants; we are forced to dispose of bills, if we can dispose of them at all, upon terms of course less advantageous than we might expect to command, if we were always in advance of our payments.

9. It now remains for me to submit to your Excellency the only immediate remedy which presents itself to me, in order that at the end of the quarter all parties to whom the government is indebted, whether for salaries or on accounts rendered, may be punctually paid; it is simply to borrow, in case bills cannot be sold, of the bank of South Australia, if the bank will lend the sum of fifteen thousand pounds (15,000*l.*)

10. As we keep our deposits in the bank as well as the land fund, we are entitled, I hold, as a good customer of the bank, to the assistance of that establishment upon the present and every similar emergency; and my suggestion is, that a letter be addressed to the manager or cashier by me, if your Excellency pleases, or by any other authority, in which it should be set forth that finding bills to the large amount the government require, to be placed in adequate funds, cannot readily be disposed of, we apply to the bank, as the establishment with which the Government and South Australian Commission are connected, for their assistance; and that we desire to know of the manager whether he would purchase bills of us for the amount required, and at what rate, or, as that can scarcely be expected, whether and at what rate he would place fifteen thousand pounds (15,000*l.*) to our credit for three months, with the privilege, however, of our repaying the loan, in all or in part, at any time within that period.

11. Having, your Excellency, that sum to our credit, we could then devote the entire of the ensuing quarter to liquidate the claims of the bank, and to place ourselves in adequate funds for the future regular payment of every claim as it should become due, while the public service

service would be saved all immediate embarrassment, and I should have no impediment in the way of my closing the accounts speedily after the termination of the year.

12. After all, should we by any unforeseen circumstances, be enabled to dispose of bills to the amount required, of course the suggestions now offered need not be acted upon. I allude to the disposal of bills in the ordinary way; but I trust your Excellency will consider the actual condition in which we are placed at the present moment, without funds (for at the present moment we are in debt to the bank), but with large claims against us, renders it only a proper precaution on my part to offer them; more especially as, even should circumstances, not at present foreseen, place us in adequate funds on the present occasion, our general position is such that it becomes most desirable, as I respectfully submit, to consider the means by which any future emergency similar to that contemplated may be satisfactorily met.

I have, &c.

His Excellency Lieut.-Col. Gawler, K. H. &c. &c. &c.

(signed) *J. A. Jackson*,
Colonial Treasurer.

(No. 17, Finance.)

Sir, Adelaide, 26 February 1840.

THE public finances of the colony still continue to form the subject of my deepest anxiety and regret; not because I consider that, as compared with all the general circumstances of the province and of the public departments, there is either irregularity or extravagance connected with them, but because they exceed, out of all proportion, the anticipations of the Commissioners, and because I have as yet been unable to place the accounts before them. With an open account book in my hand, I should not be unwilling, but rejoiced, to stand before the strictest tribunal in the British empire to defend their propriety; but conducted as they have been in the dark, forbearance on so delicate and important a subject is scarcely to be expected from those who have not been personal witnesses of the general state of affairs in the colony. Even in this province by far the greatest proportion of colonists are without means of estimating the requirements of the public departments, the difficulties under which they labour, and the work which they have actually performed. This remark is particularly applicable to the case of the survey department, our greatest channel of expenditure. The persons who drew up the memorial to the Secretary of State of the 19th December, have no good grounds for complaining, as they appear to do in some scattered sentences, of the imperfectness of the survey system, of the slowness of the work, and of the amount of the expenditure. Fourteen months since there was neither department nor system. The materials of a department had to be collected. A system was at the same time struck out; its leading principle was simply that every efficient surveyor that could be employed should be employed as he desired, either as a permanent officer in the survey department, as a private surveyor working for a time with the department, or as a contractor for any particular extent of work. The application of this system has been constantly improving. During the eight months that it was under my personal direction, I had to contend with all the disadvantages of a forming system, and unexplored country, and ill understood necessities. Captain Sturt, who succeeded me for three months, was able to give all his thoughts and time to the work, but he had no deputy surveyor-general, and a proportion of the difficulties which I had had to encounter still remained. At this time the fruits of the system are showing themselves abundantly.

Mr. Frome, with great personal zeal and intelligence, has under him two very efficient deputy surveyors-general. Surveyors who have come from the other colonies or from England have become well known, and indolent characters have been removed from the department. The country has been well searched out to the extent of 7,000 square miles (50 by 140); the survey stations are well posted; lines of communication have been opened. From my arrival in the country to the present date, about 200,000 acres have been actually surveyed; viz. 113,900 acres in preliminary and ordinary sections, and 90,000 acres in special surveys. Seven of these are quite or nearly ready for appropriation, and 13 more are actually in hand. This surveying was carried on, as has been before observed, in the face of the difficulty of forming an establishment, and for five months of those of a very wet winter, in an intricate and uninhabited country. For six months past the latest land orders from England have been appropriated, except in the cases in which the holders of them were indolent, or very difficult to be satisfied.

Taking all things into consideration, I assure the Commissioners that the work done by the survey department has been very great; that its present prospects are most promising; and that those who, from honest motives, find fault with either, or who in the present state of the colony recommend any other system than that which is adopted, can only do so from absolute deficiency of information.

In the present state of the colony, the employment of private surveyors has been found to be peculiarly disadvantageous and unsatisfactory, except in the particular cases of the proprietors of special surveys deciding on laying out secondary towns at their own expense, when the surveyor being partly remunerated by the purchasers, can afford to work for the government at a reduced rate. I have taken advantage of this circumstance in reference to the Murray and Reid, the Port Lincoln, and the Port Victoria surveys.

I can confidently say, that according to the circumstances of the colony, the work done has been commensurate with the expenditure. This last has indeed been very great; but considering always the circumstances of the colony, and those in which I found the survey

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department, it could not have been otherwise, and the work have been done. The question was reduced within this narrow compass,—Shall the extraordinary expenditure be incurred, or shall the surveys be continued at a rate of progress altogether incommensurate with the demand? To this I conceive that the solemn pledges of the Commissioners to the public, "that the surveys shall be so conducted as to be always in advance of the demand," contain a sufficient reply. I found myself, as the representative of the Commissioners, with all the weight of those pledges upon me, and personally working most laboriously: and, cautiously avoiding every expense that I conceived to be unnecessary, I have endeavoured to carry them out. Extravagant rates of wages and hire, and of prices of all kinds, I could neither remedy nor avoid.

It also must be remembered, that even if I had felt it right to limit the survey establishment, it is probable that expense would not have been saved by such a course. When I came into the colony, respectable and well-disposed persons were seriously coming to the resolution of bringing actions at law against the Commissioners for the detention of the land they had purchased; and if this practice had once commenced, its effects would probably have been most ruinous.

With all the experience we have gained, the progress and preparations that have been made, and the present zeal and intelligence of Mr. Frome, the expenses of the survey department are immense. Nevertheless, what can be done? We must go on; we cannot wait for a fall of wages and prices, or for the establishment of distant towns, to save the enormous expense of continual transport from Adelaide. A large extent of purchased land in round numbers, and considering special surveys as 15,000 acres each, about 300,000 acres is still unsurveyed, and several orders for additional special surveys are even now in the colony. In addition to the evil of a breach of faith with land proprietors, a check in the surveys would check the influx of that capital on which the province is to a great extent existing.

As regards the police, the gaol, the emigration, and the harbour departments, we stand in a similar position. The expenses, as affected respectively by the high prices of the colony and the distance of Adelaide from the port, are very great; but I request the Commissioners to examine each of them, and say in which are we to curtail or to stop.

In the police department we cannot; this body is insufficient for its present duties. For the prevention of fatal collisions between the natives and overland stock parties, there ought at this time to be police stations at Morphett's Ferry, on the Murray, and at the Great South Bend, and for the preservation of the out-stations generally, from the danger of bush-rangers and stock-stealers, there should be stations at Gawler, Mount Barker, and other places. The pay of the police is such, that the officers are scarcely disposed to remain in it, and the men are ready, on the least attempt at reduction, to threaten to leave the service, as the accompanying memorial will show.

The commissioners of police are most anxious for reduction, both in numbers and expenditure, if it could be done with safety.

The emigrants cannot be left on the beach at Glenelg, or in the swamps of the port; they and their baggage must be transported to Adelaide, kept for some time after their arrival, and supported and attended in sickness. Their present depôt is so truly miserable, that a public outcry on this most delicate subject is to be apprehended.

A considerable sum has been expended on the old port to make it temporarily available. The custom-house, wharfs, sheds, &c., at section (A.) Newport, will cost nearly 8,000 *l.* This expense cannot, with any propriety, be avoided, and has been authorized by the Commissioners' letter of the .

The aborigines must be supported to a great extent, and expenses incurred in measures taken for their improvement. Neither the numbers nor the salaries of public officers can be reduced. Those now on the establishment are barely sufficient for the duties to be performed, and in proportion to the very high rates of prices, wages, house-rent, &c., the salaries of all are moderate, and of many, especially of the higher ranks, absolutely insufficient.

I have been endeavouring continually to bring the public departments into regularity and strict economy, and very great advances have been made towards these desirable objects. A great hindrance to the attainment of them, the want of concentrated and suitable public offices, still exists.

On the subject of irregularity or extravagance, I trust that neither Her Majesty's Government, nor the Commissioners, will do me the injustice to allow themselves to form conclusions from strictures in the colonial newspapers; they are generally very unfounded, and often most unprincipled, as there would be little difficulty in showing, if the government had, which it has not, a newspaper medium of communication with the public.

Since writing the greater part of the preceding observations, I have received a well-arranged quarterly abstract of accounts from Mr. Jackson, of which I have the honour to inclose a copy.

It gives me great satisfaction to be able to add, that the details of accounts on which this abstract is founded have already passed through my office to the auditor-general.

Mr. Gilles not having rendered his accounts for the quarters ending the 30th June and 30th September 1839, I have been compelled to place him in the hands of the advocate general.

I regret to say I cannot estimate the proper expenditure, for some succeeding quarters will fall below the standard of that of which Mr. Jackson has furnished the account.

The expenses of the survey parties increase with their increased distance from the great and only centre of supplies, Adelaide.

The works at the new port will immediately call for a large sum.

It has been absolutely necessary to commence an infirmary, of the cost of which the Government

No. 62.
R. Torrens, T. F. Elliot, Esqrs. and the Hon. E. E. Villiers, to J. Stephen, Esq.
26 August 1840.

Government must bear a part, and it is scarcely possible to continue long with the gaol in its present condition.

As soon as the present Act for the imposition of duties on wines, spirits, and tobacco, has completed its period, which will take place in April ensuing, it is the intention of the Council to repeal it, and to impose in its stead *ad valorem* duties on importations of all kinds by sea and land. By the Municipal Corporation Act also, which is now in progress, the inhabitants of Adelaide will be required to contribute towards their local expenses.

By these legislative measures the expenditure will shortly in some larger degree be met, but it is difficult at this time to estimate to what extent.

I assure the Commissioners that I have not shrunk from the duty of imposing taxes to meet the public expenditure; but the difficulties in the way of legislation, especially on this subject, have been, I may with sobriety say, immense.

In a preceding paragraph I have said that "I cannot estimate that the proper expenditure for some succeeding quarters will fall below the standard of that ending on the 31st of January last." It should be added that I have long had it in earnest consideration, and have brought the question several times before the Council, whether, with the limited funds that exist for meeting that expenditure, it is not imperative to reduce it by a large reduction of the survey, police, and harbour departments, and to take the consequences of such a measure. It is only a deep conviction, founded upon the broadest evidence, that those consequences would be most ruinous to the progress and prosperity of this hitherto most flourishing colony, that restrains me from acting upon it. How long the effect of that conviction will preponderate I cannot determine.

My course will necessarily be much influenced by the bearing of communications that I may receive from Her Majesty's Government and the Commissioners.

I have, &c.

Colonel Torrens, Chairman, &c. &c. &c.

(signed) *George Gawler*,
Resident Commissioner.

To the Honourable the Commissioners of Police, City of Adelaide, South Australia.

We, your humble petitioners, the police of Adelaide, beg you will take into your earliest consideration the statements we here make, and that you will excuse the liberty we have taken in thus addressing you.

First, we beg to state, we feel, from the alteration of our duty, from six hours actual service to ten per day, quite unable to serve with that prompitude that our duty requires.

Second, we cannot but feel some degree of surprise as well as dissatisfaction at not being made acquainted with this and other alterations in our duty previous to our signing articles or entering into any agreement.

Third, we are totally unable from our pay, which has been altered from 1 *l.* 5 *s.* per week and rations to 1 *l.* 19 *s.* and no rations, to purchase the two pairs of white trousers and gloves requested of us, being well assured we cannot pay the washing of such trousers and gloves consistently with our circumstances.

We therefore humbly pray you will again place us on our old duty, and exempt us from any expense which our finances will not bear, and we will endeavour to discharge that duty to the utmost of our ability, or we shall, from duty to ourselves and families, be compelled to resign immediately, and seek a more profitable maintenance.

(signed)

Michael Mara.	*Joseph Fisher.*	*James Eight.*
Thomas Kennell.	*Alexander M'Intyre.*	*Thomas Norris.*
John Mugnell.	*James Knight.*	*Wm. A. Newson.*
John Cormack.	*Joseph Williams.*	*And. Macfee.*
George Birnell.	*G. Campbell.*	*R. Fiveash.*
Peter Byrne.	*Thomas Garlick.*	*A. Clayfield.*
Robert Christi.	*Daniel Crosbie.*	*William Dunn.*

EXPENDITURE of the Colonial Government for the Quarter ending 31st December 1839.

Civil:	£.	s.	d.	£.	s.	d.
Governor's establishment	370	–	–			
Colonial Secretary's department	137	10	–			
Department of the Colonial Treasurer, Accountant-general, and Collector of Internal Revenue	197	10	–			
Customs department	1,073	5	7			
Auditor-general	37	10	–			
Postmaster-general's office, including conveyance of mails and rent of office	119	19	8			
Colonial surgeon	50	–	–			
Harbourmaster's department	337	14	8			
Protector of Aborigines department	107	10	–			
Colonial Storekeeper's department	449	3	6			
				2,880	3	5

(*continued.*)

No. 62.
R. Torrens, T. F. Elliot, Esqrs. and the Hon. E. E. Villiers, to J. Stephen, Esq. 26 August 1840.

	£. s. d.	£. s. d.
JUDICIAL:		
Supreme Court	165 – –	
Advocate-general, including allowance for a clerk and an office	108 13 –	
Resident Magistrate's Court	165 12 –	
Sheriff, including allowance for office	57 10 –	
Gaol establishment	170 14 –	
Clerk to Bench of Magistrates	25 – –	
Coroner, for inquests	35 14 –	
		728 3 –
POLICE:		
Superintendent	62 10 –	
Inspectors, sub-inspectors, and constables	1,404 15 5	
		1,467 5 5
ECCLESIASTICAL:		
Colonial chaplain, including allowance for one horse	75 8 –	
		75 8 –
TOTAL GOVERNMENT ESTABLISHMENT	£.	5,150 19 10
Land office	223 15 6	
Survey department	3,725 6 9	
Emigration agent's department, including payments to surgeon's superintendents	744 19 2	
TOTAL LAND SURVEY AND EMIGRATION DEPARTMENT	£.	4,694 1 5
MISCELLANEOUS DISBURSEMENTS:		
Public Works	7,879 5 –	
Stores for Colonial Storekeeper £. 4,445 1 6		
Cartage of ditto 280 – –		
	4,725 1 6	
Stores, instruments, rations, &c. for survey, including expenses for expeditions for purposes of geographical survey £. 4,766 19 1		
Horses for survey 764 – –		
Horse and bullock hire for survey 702 10 3		
	6,233 9 4	
Harness, clothing, hay, stores, &c. for the police £. 977 12 6		
Horses for police 890 – –		
Horse-hire for police 437 – –		
	2,304 12 6	
Marine stores and boats, &c. for Harbour department	490 7 8	
Store-ship and punt	530 – –	
Stores for emgration department £. 154 13 6		
Cartage for baggage for emigrants 612 10 –		
	767 3 6	
Expenses of conducting prosecutions	86 2 –	
Passage-money of prisoners and guard to Sydney	162 – –	
Infirmary	151 3 –	
Colonial botanist, for wages	15 9 7	
Printing	498 4 –	
Men employed by town surveyor	171 9 8	
Sundry miscellaneous	368 2 1	
Pensions, &c. paid on account of Home Government	64 4 8	
TOTAL MISCELLANEOUS	£.	24,446 14 6
TOTAL EXPENDITURE properly belonging to Quarter	£.	34,291 15 9
Paid to Osmond Gilles, Esq., late Colonial Treasurer, to meet the claims upon government for the quarter ending 30th September 1839		11,447 1 1
TOTAL DISBURSEMENTS	£.	45,738 16 10

	£. s. d.
Total Disbursements	45,738 16 10
Total Receipts	43,076 19 4
EXCESS of EXPENDITURE for the Quarter	£. 2,661 17 6

Compiled from cash vouchers of Colonial Treasury,

Colonial Treasury,
24 February 1840.

(signed) *J. A. Jackson,*
Colonial Treasurer and Accountant-general.

No. 62.
R. Torrens, T. F. Elliot, Esqrs. and the Hon. E. E. Villiers, to J. Stephen, Esq. 26 August 1840.

RECEIPTS for the Quarter ending 31st December 1839.

Revenue:	£.	s.	d.	£.	s.	d.
Customs	5,194	12	5			
Postage	107	2	11			
Fines and fees	290	6	–			
Licences	98	–	–			
Permits	4	18	–			
				5,694	19	4
Quarterly transfer from Land Fund	3,000	–	–			
Proceeds of bills drawn on Commissioners	17,175	2	–			
From J. B. Hack & Co., for brig "Rapid"	2,128	15	4			
From Colonial Storekeeper, proceeds of sale of stores	72	5	6			
Advance from Bank of South Australia	15,000	–	–			
Interest on daily balance in Bank	5	17	2			
				37,382	–	–
Total Receipts £.				43,076	19	4

Compiled from cash vouchers of Colonial Treasury,

Colonial Treasury, 24 Feb. 1840.

(signed) *J. A. Jackson*,
Colonial Treasurer and Accountant-General.

(No. 58; Finance.)

South Australia Colonization Office,
9, Park-street, Westminster, 24 August 1840.

Sir,

In our recent despatch of the 8th ult., marked "Separate Finance," we requested that you would lose no time in correcting the practice, which had lately grown up, of giving no other information in letters of advice upon bills, as to the nature of the purpose for which they are drawn, than that it was for "claims incurred during the past quarter." It is no doubt to be observed, that in Mr. Gliddon's letter to you of the 15th November 1839, written by order of the late Board, it is stated that under the circumstances mentioned in your despatch of the 31st March 1839, No. 14, the Commissioners would "forbear to press for the invariable insertion in the letters of advice of the object of expenditure; but they trust that, when practicable, this regulation will still be attended to." The terms of this letter were evidently intended not to sanction a universal custom of advising the bills in such manner as to give no material information at all on the purpose for which they were drawn, and at any rate we adhere to our recent view that the custom should be altered.

We are now compelled to notice another very important irregularity in the letters of advice which are at present from time to time coming into our hands.

By the instructions to you on the receipt and expenditure of the public money in South Australia, dated 5th October 1838, it is required that "before ordering payment of any account, you will cause it to be examined and certified to you as due."

The instructions to the treasurer, of the 9th November 1839, especially direct as to the letters of advice to be countersigned by you, that one of their statements is to be that no part of the payment is to be in advance. Such a statement is accordingly printed on the face of those letters. But in the case of No. 190, of 25th February last, being a draft for 283 *l.* 5*s.* in favour of Messrs. Gorton & Co., and in all but one of the bills which have been subsequently received, a pen is drawn through the passage inserted as above mentioned, in accordance with the Commissioners' directions, and, instead of it, is substituted the very unsatisfactory intimation that the proceeds will be devoted to the expenses of the current quarter. Independently of the disregard manifested for the instructions issued by the Board for your guidance, we can hardly conceive a practice more subversive of regularity in the colony, and more dangerous to the proper application, or even the safe custody, of the public money, than this course of drawing and selling bills to raise money for no object which can be described as actually due, but merely under an indefinite intimation that at some future time the proceeds will in fact be devoted to public uses.

The expedient is also an additional obstacle to the exercise of any effectual control from this country, or the acquisition of any available knowledge here of the course of expenditu e in the colony; for, inasmuch as it professes to find funds for general purposes, and not for definite charges already incurred, it finally precludes the practicability of knowing what bills are drawn for authorized expenses and what for unauthorized. It thus provides a form for, and adopts as a system, the practice which had already become too plainly a settled one in the colony, of leaving the authorities in this country who are responsible for meeting the bills, no means of even conjecturing beforehand the amount of the demands.

The substantive question of the evils with which the colony is threatened by the exorbitant amount of the bills that have been cast upon this country, is a subject too serious for us to enter upon in this despatch upon the inaccuracies in their forms. The statement of their amount and of the necessity for absolutely prohibiting their continuance, has been submitted by us to Her Majesty's Government; but in the meanwhile it is not the less necessary to guard against an incorrectness of form which may further enhance the obscurity and confusion now unfortunately attending the course of colonial expenditure.

We must now, therefore, request that the irregularity we have mentioned may be discontinued; and if, after the date at which this despatch shall reach the colony, any further bills should be sent to us, open to the same objection, we shall feel that we have no choice but to refuse their payment, as drawn in an irregular manner, and not in accordance with the form which we have prescribed.

We have, &c.
(signed) *T. F. Elliot.*
E. E. Villiers.

His Excellency Colonel Gawler,
Resident Commissioner in South Australia.

— No. 63. —

No. 63.
J. Stephen, Esq. to C. E. Trevelyan, Esq.
11 Sept. 1840.

COPY of a LETTER from *J. Stephen*, Esq. to *C. E. Trevelyan*, Esq.

Sir, Downing-street, 11 September 1840.

ON the 13th July I addressed to you, by Lord John Russell's direction, for the consideration of the Lords Commissioners of the Treasury, a letter enclosing a report from the Colonization Commissioners of South Australia, in which they brought under the notice of Her Majesty's Government the financial condition of that colony as it at that time appeared. I further intimated to you Lord John Russell's intention to institute the fullest investigation into the affairs of South Australia, and to adopt such measures as might be best calculated to check the embarrassments in which the colony was then involved, and to prevent the ruinous consequences which would otherwise inevitably follow; and I stated that, in the meantime, Lord John Russell considered it absolutely necessary, as a part of the system on which the colony was founded, that Her Majesty's Government should authorize the commissioners to raise a loan to the amount which they proposed of 120,000*l.*, under the provisions of the Act, on the security of the revenues and public lands of the colony.

On the 18th of July you intimated to me the concurrence of the Lords Commissioners of the Treasury in the views and proposals of Lord John Russell on this subject.

On the 26th of August the commissioners addressed to Lord John Russell a report, which, however, from accidental causes, was not formally transmitted to this office in a correct shape until the 5th instant, of which report, and of the enclosures to it, I now, by his Lordship's direction, transmit copies to you, for the information of the Lords Commissioners of the Treasury. From that report the Lords Commissioners will learn, that eight bills from the resident commissioner at South Australia, amounting jointly to about 3,000*l.*, have been presented for acceptance; that the commissioners have no means to meet these bills; that it appears that there are 44 other bills of earlier date, which will shortly be presented, the amount of which may be estimated at upwards of 16,000*l.*; that the commissioners had taken measures to raise the proposed loan with every prospect of obtaining it, but that recent reports from the resident commissioner have rendered this impracticable; that from those accounts it appears that the expenditure for the last quarter of the year 1839 had exceeded 34,000*l.*, without any prospect of reducing this rate for some quarters to come; that, consequently, the commissioners understand that the expenditure of the colony will continue at a rate approaching 140,000*l.* per annum, the revenue being something more than 20,000*l.* per annum; that the deficiency is therefore proceeding at a rate of about 120,000*l.* per annum, to be provided for by bills drawn on the commissioners in England; that if the loan of 120,000*l.* were raised, the law would require the appropriation of 90,000*l.* from it, before the end of the year, to emigration; but that the propriety of negotiating a loan at all under such circumstances is very doubtful, unless the whole case were first communicated to the contractors; that the concealment of those facts would be the more indefensible because the lately published report of the former commissioners represents the colony as flourishing to the end of the year 1839; and there is no other accessible official intelligence to counteract the erroneous impression which the contractors might derive from this statement.

From these premises the commissioners conclude that, if they are to attempt to pay the resident commissioner's bills, no loan which they could raise would be of any avail, and that if they are to refuse payment of those bills, it is doubtful whether any such loan could be obtained. They add, that the land sales in 1840, like those in the latter part of 1839, have been comparatively trifling.

Lord John Russell cannot contemplate the statements thus made by the commissioners, and the prospects which they thus unfold, without the most serious alarm for the results which must speedily follow; affecting not merely the future prospects of South Australia, but the interests of the large number of Her Majesty's subjects who have pledged their persons and their property to the success of this plan of colonization. It had been his Lordship's design to postpone until the next meeting of Parliament, the inquiry mentioned in my letter of the 13th of July, and then to propose the appointment of a Committee of the House of Commons for that purpose. But his Lordship was then wholly unapprized of the facts which I have now recapitulated, nor had he ever received, either from the governor or from the commissioners, an intimation that the public expenditure in South Australia was so far exceeding the revenue as to create the necessity for drawing on the commissioners beyond the extent which they had sanctioned, and for which they were prepared to make provision.

In considering the proper course to be taken under such critical circumstances, Lord John Russell is not prepared to advise the Lords of the Treasury at once to provide funds for taking up the outstanding bills. His Lordship assumes from the statements of the commissioners, that drafts at the rate of 120,000*l.* per annum must be expected. How soon the drawing such bills can be checked does not appear; but as several months must elapse before instructions to that effect can reach the colony, it may be anticipated that bills for the deficiency of the current year will be drawn to a very large amount.

On the other hand, Lord John Russell is not prepared to advise that the bills should be at once and finally dishonoured. The mischiefs which might result from such a proceeding appear to him too serious to be incurred except on an evident necessity.

The only resource which, as it appears to Lord John Russell, remains to Her Majesty's Government, is that of declining to afford, or to promise any pecuniary assistance until a full

No. 63.
J. Stephen, Esq. to C. E. Trevelyan, Esq.
11 September 1840

full and close inquiry into the origin of these financial embarrassments, and into the present state and prospects of the colony, shall have enabled them to judge how far any aid which it might be in their power to afford would effectually relieve South Australia from the embarrassments in which it is involved, and in what manner and on what conditions that relief could be most properly and effectually given, if it should ultimately be thought right to afford it at all. Lord John Russell will not for the present express or suggest an opinion, whether the responsibility for these disasters devolves on the present or the former commissioners, or on the local authorities, or whether they are to be traced to the provision which has placed the expenditure of this colony alone beyond the control or cognizance of the Secretary of State for the Colonies, and of the Lords Commissioners of the Treasury, or to any other of the innovations which the South Australian Act has established in the system of colonial government and administration; but his Lordship is of opinion that these are all inquiries which it would be right to pursue, in order that the sources of the evil may be fully explored and detected.

His Lordship considers that it will be necessary that the whole subject should be submitted to a Parliamentary inquiry, as soon as Parliament shall meet, with the view of inquiring into the state and prospects of the finances of South Australia, into the origin of the existing embarrassments, and the proper course to be taken for relieving them and arresting their progress, and for placing the revenue and expenditure on a secure and proper footing.

But in the meantime his Lordship is of opinion, that it may be expedient that the immediate difficulties of the colony should be considered, with the view of ascertaining whether some steps may not be taken to meet the passing emergency, with a due attention to the public interests and security, until the whole question can come before Parliament, and would suggest to the Lords of the Treasury that for that purpose they should institute such inquiry as they may consider proper into the financial state of the colony. In the meantime his Lordship would propose that the holders of the bills should be informed that they cannot be accepted, and that no pledge can be given for the future acceptance or payment of them. Lord John Russell is also of opinion, that the most peremptory instructions should immediately be addressed to the Governor, requiring him to make preparations for confining the public expenditure of South Australia within the limits of the local revenue, and informing him that the bills which he may draw in future will not be accepted unless they have been previously authorized at home. Further it does not appear to Lord John Russell prudent or practicable to advance at present.

I have, &c.

(signed) *James Stephen.*

— No. 64. —

Copy of a LETTER from *R. Torrens*, and *T. F. Elliot*, Esqrs., to *J. Stephen*, Esq.

No. 64.
R. Torrens, and T. F. Elliot, Esqrs. to J. Stephen, Esq.
11 September 1840.

South Australian Colonization Office, 9, Park-street, Westminster,
11 September 1840.

Sir,

In reference to that part of our letter of the 26th ultimo, in which we stated that there were various heavy claims outstanding on account of ships gone to the colony during the past twelvemonth, and also to our remark, that as soon as the decision of Her Majesty's Government should be known on the principal points, whether the bills now in course of presentation should be accepted, and what should be done as to a loan, there would be various subordinate, but still important, questions which it would be necessary to consider, we are desirous to present a fuller view of the nature of the outstanding claims, independent of bills, and of their probable amount. If, indeed, the decision should be to enable us to raise a loan, it might appear less necessary to trouble Lord John Russell on the point we have now adverted to, because one of the main objects of the loan would have been to enable us to satisfy those claims, and provide generally for our wants connected with emigration; but if a loan should not be raised, the manner of providing for these demands may be considered amongst the most urgent of the questions connected with the present embarrassing subject.

The chief amounts of money payable in England, exclusive of bills of exchange, may be classed under the following heads: 1st. Passage-money of emigrants; 2dly. Fees to agents for the selection of emigrants; 3dly. Salaries for the establishment at home, and incidental expenses; 4thly. The interest of the colonial debt. We have taken steps for the preparation of an accurate statement of the sums prospectively payable under all these heads; but as some of the claims will not accrue until after the lapse of 18 months, or nearly two years, it would require some little time to furnish precise estimates of their amount. In the meantime, we hope that the sums we shall name *ad interim* will be accepted as only the best approximation we can offer to an exact estimate. We prefer venturing on this course, to incurring any delay which can be avoided in bringing this part of the subject more largely than before under the notice of Her Majesty's Government.

1st. With regard to the passage-money of emigrants, the custom is to pay one-half on the departure of the ship, and the other on the receipt of documents showing that the people were safely landed and in good order.

As soon as we began to feel the embarrassments with which the finance of the colony was threatened, we ceased to advertise for further ships. No vessels, therefore, are about to sail

No. 64.
R. Torrens, and T. F. Elliot, Esqrs. to J. Stephen, Esq. 11 September 1840.

for which the first moiety of the passage-money will fall due; but this moiety is due for the three last that departed, and the applications for payment are now lodged with us, amounting jointly to the sum of 3,200 *l.* This is a larger sum than our treasurer could pay without depriving himself of the means of meeting, at maturity, bills which have already been accepted.

The whole amount of second moieties of passage-money outstanding may be reckoned at about 36,600 *l.*; out of this amount, 5,700 *l.* has now become actually due, and payment is applied for; and further sums, amounting to 7,000 *l.* in all, may be expected from time to time to become claimable between this date and the end of next month.

2dly. The agent's fee for selecting emigrants has hitherto been 1 *l.*, of which only one-fourth has been payable on the departure of the emigrants, and the remainder after there had been an opportunity to hear of any misconduct during the first six months of his residence in the colony. We have lately reduced the fee to 10 *s.*, and made the whole payable on the embarkation of an approved emigrant. But a vast number of claims for the balance of fees under the old practice will necessarily remain outstanding for a long time to come. The accounts connected with this subject are, however, so numerous, and are composed of so many small items, that it is with great diffidence we hazard an estimate of their amount until it can be done by actual inspection of the documents, and computation. We believe, however, that they may, at any rate, be taken not to exceed 2,000 *l.*

The claims under the two preceding heads exist by virtue of express contracts with this Board. Nothing could exceed the hardship to the individuals, or the pain to ourselves, of our being unable to satisfy their just demands on this commission. This would be no case of bills beyond the funds to meet them, which parties who had never authorized them to be drawn might equitably reject. It would be a failure to pay the value of goods *bonâ fide* supplied, or services performed, on the faith of the engagements of a public department. We cannot too deeply lament that the utterly unforeseen and unsanctioned amount of drafts from the colony has rendered it impossible for us to raise with propriety that loan which, by the terms of the Acts of Parliament, it was our duty to raise before the expiration of the present year, in order to replenish the land fund, and to expend the proceeds to a far greater extent than the prospective liabilities we have above enumerated in purposes of emigration.

3dly. The extent of the establishments to be maintained at home will of course depend in great measure on the decision of Her Majesty's Government on the whole of the questions we have recently had occasion to submit. Assuming, however, for the sake of calculation, that they should continue on their present scale, the whole cost of them, and also of all incidental and miscellaneous expenses, up to the end of the half-year in 1841, would, perhaps, amount to 4,600 *l.*

4thly. The interest on the colonial debt falls due on the 15th of January and 15th of July. It amounts to 6,708 *l.* per annum.

From the preceding review, it appears that, setting aside all bills of exchange not already accepted, the total outstanding claims on this commission for passage-money of emigrants and agents' fees, may be estimated at 41,800 *l.*, and that in order to carry on the establishments and pay the interest on the debt to about the middle of next year, there would be required a further sum of of 11,300 *l.*, making in all a little more than 53,000 *l.*

We have, &c.

(signed) *Robt. Torrens.*
T. Frederick Elliot.

P.S. For greater convenience of reference, we subjoin a tabular synopsis of the different sums stated in the course of this letter, included in a statement of all assets and liabilities, exclusive of bills not already accepted.

A STATEMENT of Assets and Liabilities, exclusive of all Bills of Exchange not already accepted.

Liabilities:	£.	s.	d.
Total of First Moieties of Passage-money, unpaid	3,227	5	3
Ditto Second ditto	36,569	5	4
Total of Passage-money	39,796	10	7
Total of Agency on Emigrants, estimated not to exceed	2,000	–	–
Salaries, Rent and Sundries, to the 30th June 1841, say	4,600	–	–
Interest on Bonds to the 15th July 1841	6,708	–	–
Bills of Exchange which are already accepted	9,200	10	7
Total of the above £.	62,305	1	2

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R. Torrens and T. F. Elliot, Esqrs. to J. Stephen, Esq.
11 September 1840.

	£.	s.	d.
Liabilities brought forward	62,305	1	2
ASSETS:			
Cash in the hands of the Treasurer £. 2,505 5 11			
Exchequer Bills in hand 8,000 – –			
10,505 5 11			
Cash to be received from the South Australian Company on the 28th September 1,931 14 2			
£. 12,437 – 1	12,437	–	1
Total Deficiency £.	49,868	1	1

Of the above-stated Liabilities, the following are now due and applied for; viz.

	£.	s.	d.
First Moieties of Passage-money	3,227	5	3
Second - ditto	5,675	14	7
Sundry accounts, say	450	–	–
Total £.	9,352	19	10

The following are expected to fall due next month; viz.

Passage money £. 5,607 15 3			
Salaries, Rent and Sundries, say 950 – –			
	6,557	15	3
£.	15,910	15	1

(signed) *Joseph Jackson*, Accountant.

— No. 65. —

COPY of a LETTER from *J. Stephen*, Esq., to *C. E. Trevelyan*, Esq.

No. 65.
J. Stephen, Esq. to C. E. Trevelyan, Esq.
14 September 1840.

Sir, Downing-street, 14 September 1840.

WITH reference to my letter of the 11th instant, I am directed by Lord John Russell to transmit to you, for the consideration of the Lords Commissioners of the Treasury, a copy of a further report from the South Australian Commissioners; and I am to request that you will observe to their Lordships, that the additional facts, which Lord John Russell now learns respecting the liabilities of the commissioners, confirm the opinion which his Lordship has already communicated to the Lords of the Treasury, as to the necessity of an early and close investigation into the financial affairs of South Australia.

I am, &c.

(signed) *Jas. Stephen.*

— No. 66. —

COPY of a LETTER from *J. Stephen*, Esq., to the Colonization Commissioners for *South Australia*.

No. 66.
J. Stephen, Esq. to the Colonization Commissioners.
22 September 1840.

Gentlemen, Downing-street, 22 September 1840.

I AM directed by Lord John Russell to acquaint you, that his Lordship lost no time in referring for the consideration of the Lords Commissioners of the Treasury your letter of the 11th instant, enclosing a statement of the assets and of the liabilities incurred on account of South Australia; and his Lordship directs me to acquaint you that Her Majesty's Government will make a decision as soon as the Treasury have satisfied themselves as to the facts.

Lord John Russell directs me at the same time to state, that he must protest against the Government being responsible to an indefinite amount for the support of South Australia.

I am, &c.

(signed) *Jas. Stephen.*

— No. 67. —

No. 67.
R. Torrens and T. F. Elliot, Esqrs. to J. Stephen, Esq.
17 September 1840.

7 July 1840.
26 Aug. —
11 Sept. —

Copy of a LETTER from *R. Torrens* and *T. F. Elliot*, Esqrs., to *Jas. Stephen*, Esq.

South Australian Colonization Office,
9, Park-street, Westminster, 17 September 1840.

Sir,

In our previous letters of the dates mentioned in the margin, our immediate objects were either to state fully, for Lord John Russell's information, the facts connected with the existing financial difficulties in South Australia, or to point out any remedial measures which it occurred to us might deserve consideration for the future. Before quitting the subject, however, we are anxious in a further communication to collect into one view the grounds for earnestly hoping that Her Majesty's Government may assist the colony through its present crisis, and judge favourably of the title of the colonists to its protection.

We have adverted already, in our recent letter of the 11th instant, to the hardship which will be inflicted on those who have pecuniary demands upon the commission, if funds be not supplied to satisfy their claims. Those claims are less than the amount which, by the terms of the Acts of Parliament the commissioners were positively required to incur, for they were directed to expend the whole of the receipts for land upon emigration, and those receipts have been far greater than the outstanding demands will absorb. But the same law also authorized the commissioners to advance out of the proceeds of land sales, any money required by exigencies arising from deficiencies in the revenue fund, and thus they found themselves called upon, not to expose the colony to the ruinous discredit of dishonouring the resident commissioner's bills at a time when ample means existed in their treasurer's hands, and when there was no intimation that the excessive rate of those bills was to be indefinitely continued.

The tendency, of course, was to render the fund eventually inadequate to the satisfaction of both classes of obligations.

But this case likewise was provided for by the Acts, which pointed to the resource of a loan. We had relied, therefore, on that resource, and were actually engaged in measures for raising a loan, when intelligence arrived from the colony, showing that no amount of money which we could borrow without the assistance as well as the sanction of Her Majesty's Government, could possibly rescue the colony from financial disaster.

These are the circumstances under which we have had to appeal to Lord John Russell for directions, and, in the meanwhile, find ourselves unable to meet a class of demands which every consideration of justice and of regard for the credit of the public departments of the government, renders it of the utmost importance that we should be placed in a position to discharge. The question is not less urgent in point of time than material in the other respects we have mentioned, for several of the claims are now due and preferred to us, and we shall most anxiously await instructions how they are to be answered.

Another and more general consideration is, the right of land purchasers to expect that the whole of their purchase-money will be expended in conveying labour to the colony. This may be deemed an essential condition of their contracts; it is secured by the language of the Acts of Parliament under which the colony is founded, and a failure to perform it would constitute a breach of public faith. All the industrial arrangements of the colony, as we observed in our letter of the 7th July, have been made in reliance on this pledge. "Land," as we there stated, "has been purchased under the belief that labour would be obtainable for its cultivation; houses have been erected in the anticipation of the demands of inflowing emigrants, and in all the branches of business, the employment of capital has received its direction from the expectation that population would continue to increase under the action of the whole of the fund created by the land sales." The disappointment of this expectation, upon which the entire business of the colony has hitherto been conducted, would not fail to be followed by the most disastrous consequences, by the loss of property, the destruction of capital, the suspension of industry, and by the risk of extensive destitution. Such are the grounds on which we anxiously hope that means may be found not only of enabling us to liquidate the past claims incurred on account of immigration, but also of providing for the same important object for the future, to the full extent of all the sums that have been received for land. But we should insufficiently discharge the task we have proposed to ourselves, and should ill satisfy our own feelings on the subject, were we not further to offer an appeal on the consequences which may result to the colony, unless funds are supplied to avoid the rejection of the resident commissioner's bills.

In South Australia, the principal attention of the settlers was at first directed to laying out towns, and to the construction of buildings and other works, rather than to the cultivation of the soil.

Without entering here into a discussion of the causes to which this course may be ascribed, we may observe, that, at any rate, it was strongly promoted by circumstances over which the colonists had no control, and for which it would be hard that they should be the sufferers; for, by some of the provisions introduced into the Acts of Parliament, it was necessary to sell in this country extensive tracts of lands before any preparations could be commenced for exploring and surveying the districts to be occupied. The settlers, therefore, on arrival, were precluded from commencing operations by raising the first necessaries of life, and may be said to have been almost compelled to employ themselves in building and other town occupations while waiting to obtain possession of their land. One point of the great expenditure in the colony has been, to bring up the surveys to a point equal with the demand

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R. Torrens and T. F. Elliot, Esqrs. to J. Stephen, Esq. 17 September 1840.

demand for land. We hope for a speedy change, therefore, in the important respect to which we have just adverted; but in the meanwhile, production having hitherto made little progress in the colony of South Australia, we solicit attention to the fearful calamity which may occur, should we be compelled for want of funds finally to reject the bills drawn upon us by the resident commissioner. A population which is estimated at from 13,000 to 15,000 souls must subsist, as far as we are yet informed, almost exclusively upon imported provisions, paid for, not by exported produce, but by bills.

Should the governor's bills be dishonoured and panic ensue, the inevitable consequence would be a suspension of supplies from the neighbouring colonies. The danger is most formidable, and the settlers who are threatened with it cannot be considered in the light of individuals who have engaged in some private enterprise of which they must be content to participate in the success or the failure.

The colony of South Australia was formed with the consent of Her Majesty's Government, and with the concurrence of the Imperial Legislature, under whose Acts it was founded. Nothing was wanting to render the scheme to all intents a public one, or to stamp the authority under which it was undertaken with a national character. If in the original plan there were imperfections which delayed the assignment of their lands to the settlers, and thus retarded the growth of food for home consumption, or of produce to be given in exchange for food, or if any subsequent improvidence of the local authorities has precipitated a financial crisis, these are circumstances over which the colonists themselves had no power, and it will be deeply to be deplored that they should be involved in a ruin resulting from causes for which they are not responsible.

Looking to the nature of the colonial constitution, and to the particular relations which under it this commission bears to the individuals who have embarked their fortunes in the colony, we have felt bound to offer to Lord John Russell the present appeal on behalf of the extensive British community which during the last few years has been settled on the shores of South Australia.

We shall be sincerely gratified, if by guaranteeing a loan of sufficient amount to cover all the requisite purposes, or in such other mode as to the judgment of higher authorities may seem expedient, the considerations we have ventured to urge may appear to Her Majesty's Government to constitute adequate grounds to provide for all the proper objects, past and prospective, of emigration, and also to avert the calamities which may attend the rejection of the resident commissioner's bills, and thus to gain an opportunity of placing the finances of the colony upon a permanently secure basis.

We have, &c.

(signed) *Robert Torrens.*
T. Fred. Elliot.

—No. 68.—

Copy of a LETTER from *Robert Gordon*, Esq., M.P., to *J. Stephen*, Esq.

No. 68.
Robert Gordon, Esq. M. P. to J. Stephen, Esq. 23 September 1840.

Sir, Treasury Chambers, 23 September 1840.

Having laid before the Lords Commissioners of Her Majesty's Treasury your letter of the 11th instant, on the subject of the financial embarrassment of the colony of South Australia, I have it in command from their Lordships to acquaint you, that they entirely concur in the view expressed in your said letter, that the whole state of the colony of South Australia should be subject to a Parliamentary inquiry at the earliest possible period.

In the meantime their Lordships will take into consideration the immediate difficulty, and direct an inquiry to be made into the present financial circumstances, with the view of ascertaining whether steps can be taken to meet those difficulties with a due attention to the public interests.

Their Lordships concur in the notice which Lord John Russull proposes to give to the holders of the bills.

My Lords consider that an inquiry of this nature may best be made under the superintendence of one of this Board, and Mr. Parker will accordingly undertake this duty, with such assistance from this department as he may consider necessary.

I am, &c.

(signed) *R. Gordon.*

—No. 69.—

Copy of a LETTER from *J. Stephen*, Esq., to the Colonization Commissioners for *South Australia.*

No. 69.
J. Stephen, Esq. to the Colonization Commissioners. 28 September 1840.

Mr. Stephen, 11 Sept.
Mr. Gordon, 23 Sept.

Gentlemen, Downing-street, 28 September 1840.

Lord John Russell having referred for the consideration of the Lords Commissioners of the Treasury your report of the 9th ultimo on the subject of the financial embarrassments of the colony of South Australia, has directed me to transmit to you, for your information, copies of a correspondence with the Board of Treasury on the subject.

From this correspondence you will perceive that it is the intention of Her Majesty's Government that the whole state of the colony should be the subject of a Parliamentary inquiry

No. 69.
J. Stephen, Esq. to the Colonization Commissioners.
28 September 1840.

inquiry at the earliest possible period. That in the meantime the Lords Commissioners of the Treasury will take into consideration the immediate difficulty, and direct an inquiry to be made into the present financial circumstances, with the view of ascertaining whether steps can be taken to meet those difficulties, with a due attention to the public interests.

Considering that such an inquiry may be best made under the superintendence of a member of the Board of Treasury, it has been arranged that Mr. Parker should undertake that duty, with such assistance from that department as he may consider necessary. It is therefore Lord John Russell's desire that you should hold yourselves in readiness to attend and comply with any requisition which Mr. Parker may address to you.

In the meantime it will be proper that the holders of the bills drawn on you by Colonel Gawler should be informed that those bills cannot be accepted, and that no pledge can be given for the future acceptance or payment of them.

I am, &c.
(signed) *James Stephen.*

—No. 70.—

No. 70.
J. Stephen, Esq. to R. Gordon, Esq. M.P.
5 October 1840.

COPY of a LETTER from *J. Stephen*, Esq., to *Robert Gordon*, Esq. M.P.

Sir, Downing-street, 5 October 1840.

WITH reference to former correspondence relative to the financial affairs of South Australia, I am directed by Lord John Russell to transmit to you, for the information of the Lords Commissioners of the Treasury, the enclosed copy of a letter from the South Australian, Commissioners, with copies of a letter addressed to them by the manager of the South Australian Company, and of their reply thereto.

1 October 1840.

I am, &c.
J. Stephen.

Sir, South Australian Colonization Office,
9, Park-street, Westminster, 1 Oct. 1840.

WE have the honour to transmit to you, for the information of Lord John Russell, and as indicating the anxiety felt at this moment by parties interested in the colony of South Australia, the enclosed copy of a letter from the manager of the South Australian Company. We also enclose a copy of our reply.

To S. A. Co. Sept. 25/40.
To S. A. Co. Oct. 1/40.

We have, &c.

James Stephen, Esq.
&c. &c. &c.

(signed) *Robt. Torrens.*
T. Fred. Elliot.

Sir, South Australian Company, 4, New Broad-street, London,
25 September 1840.

I AM instructed by the directors of this company to respectfully represent to your Board the great anxiety with which they view the present state of the affairs of South Australia in England, threatening the most injurious consequences to South Australia itself, and seriously affecting the property of the numerous capitalists who have engaged in the establishment of the colony.

One of the principal sources of the past prosperity of South Australia has been the continued supply of labour, meeting the demand for land, and yet tending to increase that demand; and the immense purchases of land made during the last two years by the company (as well as by private individuals) were made in firm reliance on the strict observance of the Act of Parliament, which specially enacts that the entire proceeds of monies arising from land shall be expended in the emigration of labourers.

The directors view with much alarm the present suspension of emigration, at a season of the year particularly suitable for the despatch of ships, and at a time when no difficulty exists to procuring any number of qualified labourers—no emigration ship having sailed this month, and none being yet chartered for October. Understanding that a very large sum (reported as from 80,000*l.* to 90,000*l.*, besides the balances of hire of ships still on their voyage) has not been expended in emigration, the directors respectfully solicit to know the reason of the present interruption of a supply of labour. They beg to record their firm opinion, that the non-arrival of labourers will entail heavy increase of wages on every employer, and consequently a large diminution of profit, besides exciting great discontent in the colony, the land purchasers generally expecting a large influx of emigrants this year

to

No. 70.
J. Stephen, Esq. to R. Gordon, Esq. M.P.
5 October 1840.

to occupy their recent extensive purchases, in reliance on the fundamental principles of the colony.

I have further to observe, that the directors view with great apprehension the statements in the public papers of the financial difficulties of the revenue accounts, managed by the Commissioners, and they are much concerned at the known fact of several of the Governor's drafts having been protested for non-acceptance. The dishonour of those bills must expose the finances of the colony to heavy additional charge, from the usual damages of 20 per cent. on dishonoured bills, besides other expenses, while the public credit of the settlement has been so greatly damaged in the estimation of influential and monied people in England, that any needed loans must be obtained on advanced terms. Perceiving from the Commissioners' last Annual Report that nearly 120,000 *l.* of the loan authorized for the revenue fund had not been raised, the Board respectfully express their regret at the contraction of that loan having been postponed till August last, when the large amounts stated in the Report to Parliament as borrowed from the loan fund show that considerable sums would be required for the general expenditure of the colony.

The directors would feel greatly obliged by an early communication from your Board, as to intended plans for the speedy resumption of emigration, and for relieving the colony from its embarrassments, with any further information the Commissioners may be pleased to afford. The company's capital now employed in South Australia is about 300,000 *l.*; consequently its uninterrupted success is of vital importance to the numerous shareholders, who participate with the directors in great uneasiness at the existing position of affairs. Property invested in the colony has commenced depreciating, from alarm at the present interruption to emigration, and other difficulties, now arising after a constant course of success; and the Board are persuaded that further loss must accrue to all connected with South Australia, unless confidence be generally restored.

The directors trust your Board will only attribute the present communication to the company's real anxiety for the general prosperity of the colony.

I am, &c.

J. Walcott, Esq.
&c. &c. &c.

(signed) *Edmund J. Wheeler.*

South Australian Colonization Office, 9, Park-street, Westminster,
1 October 1840.

Sir,

I AM directed by the Colonization Commissioners for South Australia to acknowledge the receipt of your letter of the 25th ult., and to convey to you, in reply, their regret that circumstances over which they have no control, and acts done in the colony without their authority, have involved the finances of South Australia in embarrassments, which have rendered it necessary to apply upon the whole case to Her Majesty's Government, and that until the decision of the Government shall be received, the Commissioners cannot state what measures will be adopted for the future.

As soon, however, as their reference to higher authority shall have led to any positive result, the Commissioners will have every reason to communicate it without delay to the company, and to all parties interested in the colony.

I am, &c.

Edmund J. Wheeler, Esq.
&c. &c.

(signed) *John Gliddon*, Assistant Secretary.

— No. 71. —

To the Lords Commissioners of Her Majesty's Treasury.

No. 71.

My Lords,

ON being informed of your Minute of 23d ult., I requested Mr. Litchfield, the clerk to the auditors of this department, to give me his assistance in conducting "the inquiry into the present financial circumstances of South Australia," which it is the wish of the Board that I should undertake.

If I correctly understand the object of this inquiry, the Board wishes to be assured by one of its own members, before it takes into consideration the prayer of the South Australian Commissioners for an extraordinary aid, of the actual state of the finances of the colony both at home and abroad, and to satisfy itself by this preliminary investigation that the whole case has been fully and fairly brought before the Government.

I conceive that I shall best execute the wishes of the Board by confining myself, as much as possible, to a verification of the several statements of the 26th Augu t, and the 11th and 17th September, addressed by the South Australian Commissioners to the Colonial-office.

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If the statements of the above-mentioned dates are borne out by the accounts, and it should be found that the calculations of the amount of aid required are founded on correct reasonings, the Board will at once be in a condition to apply itself, in conjunction with the Executive Government, to the consideration of the main question of relief; in dealing with which, your Lordships will, of course, combine general and national considerations with the responsibility attaching to the home Government from the wants of a single colony.

In the course of this inquiry many important and novel questions will come before you, but none will require a more rigid and careful analysis than those facts and phenomena of the case which throw light upon the causes of this calamity, more especially if any progress be made in a solution of a point which will necessarily become most prominent; namely, whether the peculiar constitution of this colony is fairly chargeable with what has happened, or whether the mismanagement has proceeded from causes which may yet be corrected in the case of South Australia, and effectually guarded against hereafter in colonies founded by the public.

Leaving, however, for the present, all further reference to such more extended considerations, I have to state that, having perused all the despatches on finance which have passed between the Commissioners and the colony, as the best means in my power of verifying the statement above mentioned, and having examined many other official documents in the possession of the Commissioners, I came to the conclusion, which, from the high character of the parties, the Board would naturally expect, viz., that the whole case had been fully and fairly laid before the Government, as far as the state of the colonial accounts has enabled the Commissioners to do so.

I found the accounts of the commission kept in a business-like and creditable manner.

The home treasurer's accounts have been rendered to the 31st December 1839, and have been audited by the Commissioners for auditing public accounts up to 31 December 1838, and found to correspond with the printed accounts attached to the reports of the South Australian Commissioners.

Besides the treasurer's accounts presented for audit, books of account in double entry on approved mercantile principles are kept at the office of the Commissioners, detailing every pecuniary transaction in that country; and it is the opinion of Mr. Litchfield, in which I entirely concur, that no necessity exists for testing them by methods known amongst accountants; it being quite clear to that gentleman, from the inspection he was enabled to give, that they were *bonâ fide* honest accounts, and kept too with more than usual precision and ability.

The very contrary of this is the case with the colonial accounts. It is very questionable whether any of a satisfactory nature were ever kept during the early part of the existence of the colony, and it is quite certain that none such were ever rendered until a very recent period, although an expenditure far larger than the income of the colony was going on, in public buildings, in a very extensive survey of lands, and in an increase of the salaries of public officers.

Mr. Fisher, the first colonial treasurer, unfortunately set the example of these irregular proceedings, and at length, upon an inquiry being instituted, was removed under circumstances of such grave suspicion, that had he possessed any property, legal measures would have been adopted to recover the sums for which he had rendered no account.

Mr. Fisher was succeeded by Mr. Gillies, who appears to have been also most irregular, but from the original connexion of this latter gentleman with the promoters of the colony, and certain alleged services rendered by him in its formation, there was a great indisposition on the part of the governor, Colonel Gawler, to remove him, which indisposition seems fully to have been felt by the commissioners at home.

It is, however, but fair to the late treasurer, Mr. Gillies, to add, that his deficiencies were those of bad method and incapacity, without any mixture of appearances indicating moral irregularity.

It resulted naturally enough from such unfortunate appointments, that until the selection of Mr. J. A. Jackson, the present colonial treasurer, no accounts have been forthcoming. Mr. Fisher had always been unwilling, and Mr. Gillies had always been unable, to produce them; and the Commissioners at this moment have none in their possession, except those for the quarter ending 31st December 1839, and have had these latter for so short a period, that they have not yet been submitted to the auditors of public accounts in this country.

It is not for me to call the attention of the Board at any greater length to this most dangerous laxity in the early administrative history of the colony. It is true that the Commissioners were constantly calling on the governor for the production of these accounts, and the governor doubtless conveyed such directions to his department; but in spite of this, the treasurer is retained in his situation long after his inefficiency was manifest, and the evil kept progressively increasing, till any hope of past accounts seemed altogether out of the question.

With these observations on the state in which I found the accounts of the commission and of the colony, and leaving entirely for the Board to accord such indulgence for these irregularities as may appear just and fair under the want of public offices, and in the scramble of early colonial existence, I proceed to the existing state of the finances of South Australia.

It appears that the colonial revenue, arising from taxes, fees, customs, &c., does not exceed 20,000 *l.* a year.

This fund is to pay the expenses in the colony and of the Commissioners in this country, except those immediately connected with the transport of settlers, which are chargeable on the emigration fund.

But

But as it could not be expected that any new colonial establishment could be self-sustained by current revenue at the time its income was the lowest and its expenditure the highest, the Commissioners had always in contemplation to have recourse to loans, by means of which the temporary deficit would be supplied. With this view they were empowered by the Act of Parliament, namely, the 4 & 5 Will. 4, c. 90, and 1 & 2 Vict. c. 60, to borrow 200,000 *l.* on the credit of the South Australian revenue securities, and also 50,000 *l.* on the credit of the South Australian land securities.

Accordingly, in July last your Lordships' Board sanctioned a loan, on the recommendation of the Colonial-office, for that portion of the above-mentioned sum of 200,000 *l.* of which the Commissioners had not yet availed themselves, viz. a sum of 120,000 *l.* It was expected by the Commissioners, that, with the aid of this sum, they would have been able to extricate themselves from the difficulties with which they gradually found themselves surrounded; but from the tone of recent advices from the colony, by which it appeared that the expenditure was going on at such a rate as to render the sum so authorized by your Lordships entirely inadequate for their relief, the Commissioners were compelled to abandon their project under the above-named Acts of Parliament, and had no alternative but to submit the whole financial condition of the colony, as appears in the statements of August and September, to the Executive Government.

It appears that the expenditure at the date of these statements, and most probably up to the present time, cannot be calculated at less than 140,000 *l.* per annum, the revenue being, as before stated, not much above 20,000 *l.*

It is no part of the duty imposed upon me by the Board to examine the wisdom or needfulness of this expenditure. It has been incurred for the most part in objects of themselves fit and proper in a new colonial experiment; whether upon the whole with judgment, the absence of sufficient accounts disables an immediate opinion, but certainly without a sufficient regard to economy. These expenses, however, to a greater or less degree, at an earlier or later period, must have been incurred, whether the colony was governed directly by the Crown or in this mixed method, half Parliamentary, half independent, in which it was constituted; such, for instance, are the expenses for police, for public justice, for piers and incipient harbours, and other works of primary importance. Such, to a certain extent, may be said of the expenses incurred in a house for the governor; such, more than all, is the case with the expenses of land surveys, more especially from its being part of the system of this colony to accelerate the period of occupation by the purchasers of colonial lands.

These points are brought before the Board in order that, when it comes to the consideration of an extraordinary aid, if it should appear that the revenue is not insignificant compared with Crown establishments of equal duration and extent, and that the expenditure, although excessive in amount and ill-regulated in respect to administrative checks, in the main has been applied to useful and necessary objects, the Board will consider its relative charge compared with colonies of the Crown, and, putting its entire financial history in contrast with that of modern colonies, will be able to say whether it has so surpassed them in expense, and is so beneath them in promise for the future, as to disentitle it to the interposition of the Government.

Persons who favour the colony will argue that a large debt being contemplated by its projectors, its real position as to intrinsic solvency is not changed by the nature of the present incumbrances. That if the Commissioners had been able to have raised a loan, the simple contract debts would have been regularly paid, the sums now due to the emigration fund would have been discharged, the same being constantly re-applied to the conveyance of new settlers, and that thus the prosperity of the colony would have been maintained, according to the views of its projectors, by a regular flow of constant immigration.

Without giving more than its due weight to this mode of argument, the Board must come back again to the point from which I started; namely, whether upon the whole the colony of South Australia, considering its revenue already realized, its large population, its recent hold upon the opinion and good wishes of those portions of the public most concerned in emigration, can be allowed to become discredited to the extent which now appears inevitable, unless the Treasury provides for its engagements until Parliament meets.

With these remarks, I proceed to the accounts of the colony; and it was my wish, had their state put it in my power, to have furnished the Board in a simple form, according to the usage of the Treasury at home, with tables of the

DEBT:

Expenditure at Home.
Ditto - Abroad.
Revenue in the Colony.
Interest or Investment.

made out for one or two years, or indeed up to the most recent period; but unfortunately the defective system of accounts in the colony has rendered this impracticable.

In the absence of tables of such simplicity, I have caused others to be prepared by the accomptant of the Commissioners, which, although not free from complication, will, I believe,

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bring before the Board all that is necessary for the purposes of this inquiry; and in the event of its requiring more detailed information, either in form or substance, Mr. Litchfield will immediately apply himself, in conjunction with the officers of the Commissioners, to furnish the Board with whatever it may be its further pleasure to require.

Table 1 gives a general view of the obligations and assets of the colony. It is drawn up in a complete form, but when taken in a conjunction with Tables 2 and 3, will be useful to the Board.

Your Lordships will bear in mind that Parliament has authorized two funds to be raised, called the "Revenue Fund," and the "Emigration Fund." The latter was appropriated exclusively to the expenses attendant upon emigrants, but by a subsequent statute the Commissioners were empowered, within certain limits, to borrow from it for the temporary assistance of the other. The consequence has been, that in proportion as the difficulties of the colony increased, the emigration fund has been turned from its original purposes, and a very large portion of the debt now owing by the Commissioners consists of the sums due from the revenue to the emigration fund; a debt the greater part of which they are bound by statute to discharge within the current year of its creation, and on the liquidation of which, so that a sufficient sum may be constantly applied to the carrying out new settlers, the success of this novel scheme of colonization most materially depends.

The existence of two such funds entails the necessity of distinct accounts, and of course produces complication.

Table 2 contains in detail a list of the claimants in England upon the colony of South Australia, and summaries are appended, showing the several classes of the claimants.

The sum claimed or about to be claimed in June 1841, by these parties, amounts to 312,067 *l.* 11 *s.* 8 *d.* This sum includes all the bills which have arrived, whether accepted or non-accepted. It includes also others supposed to have been drawn in the colony previous to the receipt of the despatches, which prohibited further drawing.

The estimates in Table 2 go on the assumption that the expenditure of the colony, up to the 30th of June 1841, will continue at the rate stated in the memorials already submitted to Lord John Russell. This prospective expenditure is represented in bills to the amount of 90,000 *l.*, supposed to be drawn from the colony, and will make the entire debt 402,067 *l.* 11 *s.* 8 *d.*

In Paper 3 the Board will find a distinct statement of the monies now due, or shortly becoming due, in England; viz.—139,476 *l.* 9 *s.* 1 *d.*

This is the sum without which it would be impossible for the Commissioners to carry on their engagements. It does not include the very large sum due from the revenue fund to the emigration fund, and its liquidation would not of itself place the power of making new engagements and incurring fresh expenses for the conveyance of settlers, within the reach of the Commissioners. It may include, but I cannot affirm that it does include, the 15,000 *l.* recently lent by the Bank of Australia to the governor, to enable him to discharge the quarter's salaries, &c., ending 31st December 1839.

The inclusion, on the contrary, of this last-mentioned sum of 15,000 *l.* must depend upon the course taken by Colonel Gawler for its liquidation. It may be represented in bills, some of which, or even all of which, are already drawn, and, if so, will not swell the calculation; on the other hand, it may still continue a debt due to the bank, and, if so, will hereafter be represented in bills over and above the calculations.

There may also be yet other claims over and above the estimates submitted to Lord John Russell. By Circular, dated August 22, 1837, the Commissioners authorized the following persons to act as agents for the purchase of stores or raising money:—The South Australian Company at Adelaide; Messrs. Montefiore, Furtado & Co., Hobart Town; Messrs. Montefiore, Ballass & Co., Sydney; and the Australian Banking Company.

Neither party were in any one year (see page 13, of the Commissioner's 3d Report) to exceed the sum of 3,000 *l.*, although the Bank of Australasia seems already to have reached their prescribed limit. On the 24th September last, a bill was presented to the Commissioners for 3,000 *l.* in favour of the Bank of Australasia, and was refused acceptance. This specific bill is included in the estimate submitted to your Lordships, but others may have been drawn, and still more may be drawn, before the prohibition reaches Colonel Gawler; and with regard to this class of bills, the refusal of acceptance may be subject to more question on the score of bad faith than can be said of those drawn by the Governor alone; inasmuch as they are drawn under an authority conveyed in a formal circular, and, so far as I am informed, no notice to the contrary or countermand has yet been served upon the parties.

In addition to these several heads of debt, the Board will learn without surprise that the usual consequences of an expenditure to be provided for by bills, have already manifested themselves, and that serious alarms are entertained from the disturbance of the exchanges.

The Governor, Colonel Gawler, has attempted to grapple with these difficulties, by negotiating, at considerable expense, an importation of 5,000 *l.* in silver from Sydney; but I need not argue before your Lordships that the effect of this importation can at the most be merely temporary, and, if unaccompanied by a reduction of expenditure, will give no permanent stability to the monetary condition of the colony.

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Upon a survey of the whole case, the Board will now see that there is no hope of extricating the colony of South Australia from its present difficulties except by advances, very large in amount, out of the public purse, or by the guarantee of a loan, as proposed by Colonel Torrens in a private memorandum submitted to the Colonial Office, bearing date the 2d of November.

If it should be found that the colony has been judiciously selected in point of site; that its expenditure, though large, has not materially exceeded the scale of the Crown settlements, however much the Board may deprecate a liability to provide out of the public purse for embarrassments in establishments for which the executive government is not responsible, it will be difficult to withhold such temporary aid as may enable the commissioners to escape discredit till Parliament has finally settled the future destinies of the colony; and should it even turn out that neither in point of selection of site or in past expenditure the colonial administration has been defensible, it will still be difficult to permit the abandonment of a settlement which already numbers, according to the report of the South Australian Commissioners, from 10,000 to 15,000 settlers. An abandonment of so large a community of British subjects, who, with the knowledge and consent, if not with the co-operation of the Crown, have been parties to the creation of this settlement, would not only be harsh to the individuals themselves, but its effect would be felt far and wide throughout our colonial empire. It would give a shock to the rising habits of emigration amongst the people of these realms, and destroy the confidence of the labouring population and of capitalists, not only in undertakings analogous to that of South Australia, but even in cases where colonization may be carried on under the direct authority and sanction of the Crown.

Amidst much that is unsatisfactory in these proceedings, the Board will see with pleasure that considerable progress has been made in the land surveys.

Colonel Gawler seems to be aware that his expenditure on this head will be objected to as excessive, and to meet such objections he lays great stress in his despatches on the difficulties of transit, the high price of provisions, and the tending of all these charges to increase in an accelerated ratio as the surveyors get further from their supplies.

But whatever may have been the policy of doing so much at first, the cessation of demand for land must now render any continuance of the same scale of expenditure for the present quite superfluous; and it is to be hoped that so much has been done in advance, that, upon a resumption of activity in the sale of land, a more moderate outlay will enable the surveyors to keep pace with the demand.

I submit therefore the unappropriated surveys are of the nature of assets in the colony, although I have not attempted, nor have I the means of giving them a money value.

In respect to money, the assets at the disposal of the commissioners, as appears by the papers referred to, are almost exhausted, and would have been exhausted some time ago had they not refused to pay their current debts, and reserved the entire monies at their disposal to meet their outstanding acceptances.

It is true that 15,000 *l.*, the remaining portion of the original security fund, still continues in deposit, and no doubt this sum may be set off against an equivalent amount of debt; but as it is still possible that the present or future governors may draw directly upon your Lordships, however unauthorized so to do, it cannot be expected that the Treasury will consent to deprive Her Majesty's Government of the only means in their power of indemnity against such drawing in the colony.

The Board has now before it all the facts connected with the financial affairs of South Australia at which I have been able to arrive.

The statements made by the commissioners to the Colonial Office I believe to be substantially correct, and their anticipation of much discredit to the colony, unless Government interposes, is, I fear, but too well founded.

In discharging the duty imposed upon me by the Board, I have of course abstained from any remarks on the general administration of the colony. To have the statements of the commissioners to the Colonial Office duly verified, so as to justify your Lordships, as the holders of the public purse, in entertaining an application for extraordinary aid, was, I apprehend, the only object of the Board in devolving upon one of its members an inquiry of this nature, and if, in a very slight degree, I have submitted occasional observations of a more general character to your Lordships, my excuse must be found in the strong desire I felt to give the applicants the advantage of every argument which could tend to extricate the colony from its present critical position, and to justify the Board of Treasury in extending such temporary aid as the executive government may think expedient for the relief of parties who have embarked their lives and fortunes in such great numbers, and with so much national enterprise in this interesting settlement.

Treasury Chambers, 15 Oct. 1840. (signed) *J. Parker.*

No. 71.

Emigration Fund.

	£. s. d.	£. s. d.
Colonial Treasury Land Banking account - - -	- - -	115,266 - -
Ditto - - ditto - - sum withdrawn by him -	- - -	6,000 - -
	£.	121,266 -
Emigration Fund, as per balance - - - -	19,240 3 1	
French owner of the William Hutt, freight - - -	79 13 -	
Mary and Jane, owners - - - - - -	662 16 -	
Cotter, surgeon, advance - - - - - -	25 - -	
Malpas - - ditto - - - - - - -	8 - -	
Colonial Treasurer - - - - £. 2,461 19 1		
Salaries - - - - 915 - 2		
	1,546 18 11	
		21,562 11 -
Balance in favour of the Emigrant Fund - - - £.		99,703 9 -

I assume that the sales of land at Adelaide, since the period to which the last account is brought, may equal the payments to surgeons per emigrant ships, and other matters incidental to purposes of emigration not included in this statement.

	£. s. d.	£. s. d.
Sales of land since June - - - - - - -	- - -	5,040 - -
Balance, as above - - - - - - - -	- - -	99,703 9 -
	£.	104,743 9 -
Emigration Expenditure since 30th June not paid; viz.		
Passengers' money - - - - - - - -	11,404 18 11	
Incidental expenses, agency, &c. say - - - -	1,095 1 1	
		12,500 - -
Estimated Balance in favour of Emigration Fund - - - £.		92,243 9 -

Revenue Fund.

	£. s. d.	£. s. d.
Revenue Fund, as per balance - - - - -	- - -	88,897 14 5
Colonial Treasurer for bills - - - - - -	81,387 1 10	
— Officers' salaries - - - £. 14,003 7 11		
— Surveyors - - - - 8,820 19 10		
Rapid - - - - - 599 17 10		
	23,424 5 7	
		57,962 16 3
		146,860 10 8
Security Fund, as per balance - - - - -	- - -	20,000 - -
	£.	166,860 10 8
Owing to the Government for Buffalo, &c. - - -	5,000 - -	
Ditto - - - - - - - Security Fund - -	5,000 - -	
Sundries since 30th June (Home), say - - - -	3,000 - -	
Ditto - ditto - (Colonial) - - - -	2,000 - -	
	15,000 - -	
Carried forward - - - - £.		181,860 10 8

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	£.	s.	d.
Brought forward	181,860	10	8
Amounts of bills presented, but not accepted	12,478	6	–
Ditto - ditto - drawn, but not yet presented, say 22 bills, at 300 *l.*	6,600	–	–
Ditto - of redemption of 6 per cent. bonds beyond the sums actually received	7,188	–	–
Bills accepted since 30th June	10,200	10	7
Supposed consumption of emigration stores	12,149	12	10
£.	230,477	–	1
The above account does not include the increase of colonial salaries, &c. &c. not authorized, excepting as they are admitted to be paid by the bills drawn.			
Assuming that the bills which may have been drawn from the colony subsequent to those above stated, and previous to the resident commissioner receiving the despatches which informed him that his bills would not be accepted, say for seven months as per last, seven months	60,000	–	–
£.	290,477	–	1

Revenue Fund.

	£.	s.	d.	£.	s.	d.
Amount of 10 per cent. bonds	–	–	–	39,000	–	–
Ditto - interest thereon	–	–	–	1,889	14	6
Amount of 6 per cent. bonds	–	–	–	39,612	–	–
Ditto - interest thereon	–	–	–	1,288	12	1
Cash overdrawn	22,787	–	7			
Loan from Emigration Fund, for payment of interest on bonds	22,535	5	–			
Loan from Emigration Fund, for general purposes	18,415	7	–			
Supposed consumption of provisions by the surveying staff, &c., the said provisions having been paid for by the Emigration Fund	12,149	12	10			
Due at 30th June	75,887	5	5			
Paid since	28,017	–	9			
Total due to the Emigration Fund	103,904	6	2	75,887	5	5
Bills accepted to 30th June not paid	–	–	–	19,853	19	1
Ditto - ditto, since 30th June	–	–	–	10,200	10	7
Ditto - presented, which are not accepted	–	–	–	12,478	6	–
Owing to the Government	5,000	–	–			
Ditto - Security Fund	5,000	–	–			
Sundries, Home and Colonial, since 30th June, including interest on bonds, say	5,000	–	–			
				15,000	–	–
Bills which may be presented for acceptance, being drawn as by members in the colony, 22 bills, say				6,600	–	–
Bills drawn subsequent to the above, and before the receipt of despatches from the commissioners				60,000	–	–
Redemption of annuity bonds beyond the sum received				7,188	–	–
Sundries				1,478	12	5
£.				290,477	–	1

No. 71.

A STATEMENT of CLAIMS upon the COLONIZATION COMMISSIONERS for *South Australia*, which are now unpaid, and also an Estimate of other Claims which may be made upon them, to the 30th June 1841.

CLAIMANTS.	PAYABLE FROM THE Revenue Fund. £. s. d.	Emigration Fund. £. s. d.
The ship Anna Robertson, for passage-money -	- - -	237 1 8
— Appolline - - - ditto - - -	- - -	152 - -
— Buffalo, H. M. - ditto - - -	5,000 - -	
— Baboo - - - - - ditto - - -	18 - -	1,250 - -
— Birman - - - - - ditto - - -	19 15 -	3,299 11 -
— Brightman - - - ditto - - -	108 - -	2,088 - -
— Cygnet - - - - - ditto - - -	- - -	66 10 -
— Catherine Jamieson, ditto - - -	- - -	34 - -
— City of London - ditto - - -	- - -	65 10 -
— Charles Kerr - - ditto - - -	- - -	1,373 6 -
— Delhi - - - - - ditto - - -	- - -	831 16 8
— Dauntless - - - ditto - - -	9 - -	555 - -
— Diadem - - - - - ditto - - -	56 14 7	1,167 - -
— Eliza - - - - - ditto - - -	39 8 -	1,103 4 -
— Fairfield (first voyage) ditto - - -	17 - -	416 10 -
— Ditto (second ditto), ditto - - -	77 - -	1,494 1 11
— Fairlie - - - - - ditto - - -	68 5 9	2,035 7 11
— Georgiana - - - ditto - - -	- - -	133 12 -
— Helen Thompson - ditto - - -	- - -	256 10 -
— Isabella - - - - - ditto - - -	- - -	36 - -
— Indus - - - - - ditto - - -	- - -	127 10 -
— John - - - - - ditto - - -	37 13 -	1,065 3 7
— Java - - - - - - ditto - - -	158 - -	2,909 16 8
— India - - - - - ditto - - -	- - -	114 - -
— Lysander (first voyage) ditto - - -	96 5 -	1,172 17 10
— Ditto (second ditto) ditto - - -	75 10 -	1,363 14 4
— Lady Lilford - - ditto - - -	25 10 -	918 - -
— Lalla Rookh - - ditto - - -	27 - -	687 10 -
— Morley - - - - - ditto - - -	36 - -	1,314 - -
— Mary Dugdale - ditto - - -	- - -	1,420 7 1
— Orleana - - - - - ditto - - -	17 19 6	1,617 15 -
— Orissa - - - - - ditto - - -	19 15 -	601 15 -
— Platina - - - - - ditto - - -	- - -	43 1 6
— Porter - - - - - ditto - - -	- - -	9 18 8
— Rajasthan - - - ditto - - -	27 - -	930 - -
— Royal Admiral - ditto - - -	38 18 -	1,348 10 8
— Sir Charles Forbes, ditto - - -	- - -	832 4 4
— Tam O'Shanter - ditto - - -	- - -	- 13 4
— Thirteen - - - ditto - - -	9 - -	351 - -
— Tomatin - - - - - ditto - - -	27 - -	986 10 -
— Trusty - - - - - ditto - - -	16 17 6	34 7 6
— Warrior - - - - - ditto - - -	134 15 -	609 11 8
— Waterloo - - - ditto - - -	- - -	1,388 3 9
— William Mitchell - ditto - - -	37 15 -	946 17 11
— William Nicoll - ditto - - -	- - -	1,405 10 10
£	6,198 1 4	38,794 - 10
Adamson & Co., for agency - - - - - -	- - -	21 - -
Addison, colonial stores - - - - - -	5 - -	
Alger, agency and disbursements - - - - -	- - -	206 16 8
Angas, - - ditto - - - - - -	- - -	4 - -
Arrowsmith, books - - - - - -	40 3 -	
Bagot, Captain, agency - - - - - -	- - -	78 - -
Bernard, Dr. - ditto - - - - - -	- - -	215 18 8
Capper & Gole, ditto - - - - - -	- - -	38 - -
Clowes & Sons, printing - - - - - -	2 2 -	
Curtis, agency - - - - - - -	- - -	2 - -
Davenport, ditto - - - - - - -	- - -	6 15 -
Denyer - ditto - - - - - - -	- - -	73 10 -
Duckham, ditto - - - - - - -	- - -	153 7 6
Elliot, Lewes, ditto - - - - - -	- - -	84 5 -
Elliott, Chichester, ditto - - - - -	- - -	65 15 -

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CLAIMANTS.	Payable from the Revenue Fund. £. s. d.	Payable from the Emigration Fund. £. s. d.
Fisher, books	– 15 –	
Flood, furniture	– 12 –	
Feaston, agency	– – –	7 12 6
Geake, ditto	– – –	2 – –
Garforth, ditto	– – –	4 – –
Halfhide, furniture	1 15 –	
Hansard, books	– 10 11	
Harrison, agency	– – –	4 10 –
Harvey, - ditto	– – –	27 – –
Haycroft, ditto	– – –	29 7 6
Hill, - - ditto	– – –	23 – –
Hollasworth, ditto	– – –	17 15 –
Holt, - - ditto	– – –	7 17 6
Home establishment, revenue, salaries	483 15 –	
Home establishment, emigration, ditto	– – –	182 10 –
Hammond, furniture	132 19 9	
Hughlings, agency	– – –	29 10 –
Horsey, - ditto	– – –	19 10 –
Huthnance, ditto	– – –	6 – –
Jacob, - ditto	– – –	24 17 6
Jennings, - ditto	– – –	7 2 6
Just, - - ditto	– – –	4 – –
Lattimer, - ditto	– – –	88 17 6
Lear, - - ditto	– – –	24 – –
Lovejoy, - ditto	– – –	2 – –
MacNiven, ditto	– – –	6 – –
Martin, printing	1 6 –	
Mears, maintenance of emigrants	– – –	68 2 –
Morris, agency	– – –	11 10 –
Noble, - ditto	– – –	6 – –
Pearson, rent	75 – –	
Peirce, agency	– – –	2 – –
Rae, - ditto	– – –	27 10 –
Reid, - ditto, &c.	– – –	130 – 10
Reynolds, ditto	– – –	2 10 –
Ritherdon, surveying of shipping	– – –	159 7 8
Roberts, agency	– – –	64 5 –
Ross, - ditto	– – –	53 15 –
Rowley, ditto	– – –	21 – –
St. Martin's-in-the-Fields, parish of, taxes	9 9 5	
Sargent, agency	– – –	– 15 –
Seamen's Asylum, monthly pay from officers and seamen of the brig Rapid	5 3 8	
Souter, books	– – –	18 3 1
Spicer, agency	– – –	7 – –
Taylor, ditto	– – –	49 10 –
Thorngate, ditto, and commission on sale of land	– – –	10 – –
Tinkler & Hancock, agency	– – –	4 – –
Trussell, - - - ditto	– – –	12 – –
Watson, - - - ditto	– – –	42 – –
Whiting, - - - ditto	– – –	100 2 6
£.	6,956 13 1	41,050 9 9
Amount of Loan from the Emigration Fund, for payment of Interest, &c. on Revenue Bonds	25,889 5 –	
Ditto - - - - ditto - - - Bills, &c.	71,951 3 10	
Amount of 10 *l.* per cent. Revenue Bonds	39,000 – –	
Ditto - 6 *l.* - - ditto - - - -	46,800 – –	
Amount taken from the Security Fund, which should be re-invested	5,000 – –	
Supposed amount due to the Emigration Fund for provisions supplied to the surveyors, &c. from the stores which were sent to the colony with the first expedition, and which were paid for from the Emigration Fund	12,000 – –	
Total of the present Debt in England - £.	207,597 1 11	41,050 9 9

No. 71.

A SUMMARY of the preceding STATEMENT, and an ESTIMATE of CLAIMS which may be made upon the Commissioners, to the 30th June 1841.

REVENUE FUND.	£.	s.	d.
Total of claims for passage-money	6,198	1	4
Ditto - ditto for salaries, rent and sundries	758	11	9
Ditto - loan from the Emigration Fund for payment of interest, &c. on bonds	25,889	5	–
Total of loan from the Emigration Fund, for payment of bills, &c.*	71,951	3	10
Supposed amount due to the Emigration Fund, for provisions supplied to the surveyors, &c. from the stores which were sent to the colony with the first expedition, and which were paid for from the Emigration Fund	12,000	–	–
Amount taken from the Security Fund, and which is to be re-invested	5,000	–	–
Total of Ten per cent. Revenue Bonds	39,000	–	–
Ditto - Six per cent. - ditto	46,800	–	–
Total of the present Debt in England - £.	207,597	1	11
Amount of interest on bonds to the 15th July 1841, a moiety of which is payable on the 15th January 1841, and the remainder on 15th July 1841	6,708	–	–
Supposed expenditure for the home service, to the 30th June 1841, for salaries, rent, &c., as at the present time	2,000	–	–
£.	216,305	1	11
Amount withdrawn by the colonial treasurer from the Emigration Fund in the colony, and which is supposed to have been applied to purposes which should be paid for from the Revenue Fund	15,500	–	–
Total of bills drawn from the colony, which have been presented to the Commissioners and refused acceptance	15,262	9	9
Supposed amount of bills drawn from the colony to this date, in addition to the above, but which have not been yet presented for acceptance, and assuming that the Resident Commissioner has received the despatches which further interdict the further drawing of bills upon the Commissioners	65,000	–	–
Supposed amount of bills which would have been drawn from the colony to the 30th June 1841, in addition to the preceding, assuming, as stated in the despatches from the colony, that the expenditure is 140,000 *l.* per annum, and the revenue 20,000 *l.*, say, for nine months	90,000	–	–
TOTAL of the above, being the amount of Debt which will be due from the Colony on 30th June 1841 - £.	402,067	11	8

* The total amount of bills drawn from the colony, which the Commissioners have accepted and paid from the Revenue Fund, is 93,961 *l.* 16 *s.* 9 *d.*

EMIGRATION FUND.	£.	s.	d.
Amount of loan to the Revenue Fund, for payment of interest, &c., on bonds	25,889	5	–
Amount of loan to the Revenue Fund, for payment of bills, &c.	71,951	3	10
Supposed amount due from the Revenue Fund, for provisions, &c. supplied from the emigration stores in the colony, to the surveying staff, &c.	12,000	–	–
Amount withdrawn by the colonial treasurer from the Emigration Fund in the colony, and supposed to have been applied to purposes which should be paid from the Revenue Fund	15,500	–	–
Total Amount supposed to be now due from the Revenue Fund - £.	125,340	8	10
Balance in the Bank of the South Australian Company, at Adelaide, on the 31st January 1840, which is supposed to be proceeds of sales of public land	9,355	9	1

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		£. s. d.
Balance in the hands of the treasurer, in England, after payment of all bills which have been accepted		101 3 3
Exchequer bills in the hands of the treasurer, in England, exclusive of interest, &c.		3,000 – –
Total of the above	£.	137,797 1 2
Total claims of passage-money	£. 38,794 – 10	
Total of claims for agency, and expenses incidental to emigration	2,256 8 11	
Total of the above	£. 41,050 9 9	
Supposed expenditure for salaries of officers and for incidents to 30th June 1841, exclusive of passage-money and other expenses by future ships	600 – –	
TOTAL of Claims on the Emigration Fund to the 30th June 1841	£. 41,650 9 9	41,650 9 9
When the above stated Loans are repaid, there will be, for purposes of Emigration, a Fund amounting to the sum of	£.	96,146 11 5

5 October 1840. (signed) *Joseph Jackson*, Accountant.

CLAIMS IN ENGLAND AGAINST THE COLONY.

	REVENUE. £. s. d.	EMIGRATION. £. s. d.
Passage-money	6,198 1 4	38,794 – 10
Salaries, rent, and sundries	758 11 9	2,256 8 11
Amount to be re-invested in the Security Fund	5,000 – –	
Interest on bonds, 15th January 1841	3,354 – –	
£.	15,310 13 1	41,050 9 9
		15,310 13 1
		£. 56,361 2 10
Balance in the hands of treasurer	101 3 3	
Exchequer bills - - - ditto	3,000 – –	
		3,101 3 3
		£. 53,259 19 7
Bills presented but not accepted	15,262 9 9	
Bills supposed to be now drawn, but not yet presented	65,000 – –	
Salaries, rent, &c. to 30th June 1841	2,000 – –	
Ditto, ditto, Emigration services	600 – –	
Interest on bonds, in July 1841	3,354 – –	
£.	86,216 9 9	
		86,216 9 9
		£. 139,476 9 4
The sum which will be required to pay the present claims upon the Commissioners, in addition to the cash and Exchequer bills in hand, (£. 3,101. 3 s. 3 d.) is		49,905 19 7
The interest due in January 1841, on the bonds, is		3,354 – –
Supposed expenses of the office, to June 1841		2,600 – –
Interest due in July 1841, on the bonds		3,354 – –
		£. 59,213 19 7
Bills presented to the Commissioners which are not accepted		15,262 9 9
Bills supposed to be now drawn, but not presented		65,000 – –
		£. 139,476 9 4

— No. 72.—

No. 72.
Robert Gordon, Esq. M.P. to J. Stephen, Esq.
4 November 1840.

COPY of a LETTER from *Robert Gordon*, Esq., M.P. to *J. Stephen*, Esq.

Sir, Treasury Chambers, 4 November 1840.

HAVING laid before the Lords Commissioners of Her Majesty's Treasury your letter, dated 5th ultimo, transmitting copy of one from the South Australian Commissioners, with the accompanying documents relative to the financial affairs of that colony, I am commanded by their Lordships to transmit to you copy of their Minute, dated 3d instant, thereon, in order that it may be submitted to Lord John Russell, and I am to request that in so doing you will state, that if Lord John Russell concurs in the views of this Board in regard to the limitations and conditions on which the guarantee and assistance therein contemplated should be given to the South Australian Colonization Commissioners, my Lords have to suggest that a communication of the intentions of Her Majesty's Government should be made to the commissioners, and that they should be authorized to make known to persons who may be willing to contract for the further loan, the nature of the guarantee my Lords are prepared to give.

At the same time you will further observe to his Lordship, that in contemplation of the proposed Parliamentary inquiry and investigation, my Lords have forborne from making any observation on the causes or proceedings which may have produced the state of embarrassment in which the finances of South Australia have been found, or on the apparent discrepancy between the results which have now transpired and the tone of the last report which emanated from the late South Australian Commission.

I have, &c.
(signed) *R. Gordon.*

EXTRACT from Treasury Minute, dated 3 November 1840.

MY Lords have before them the Report of Mr. Parker on the documents relating to the financial embarrassments of the colony of South Australia, which were referred to him by their Minute of 24th ultimo, and resume the consideration of the several communications from the Secretary of State's Department, of 11th, 14th and 21st September, on this subject, and of the representations from the present Board of South Australian Colonization Commissioners therein submitted to them.

My Lords also read a further letter from Mr. Stephen, of 5th October, forwarding to them copies of a letter from the Colonization Commissioners, of 1st October, and of a representation therein submitted to Lord John Russell from the manager of the South Australian Company, respecting the inconvenience and loss to which the purchasers of land in the colony would be subjected by the non-transmission of a further number of emigrant labourers during the present year.

My Lords also refer to the sanction given by their Minute of 17th July last, for the negotiation by the Colonization Commissioners of a loan to the extent of 120,000 *l.* under the powers vested in them by the 18th clause of the Act of 4 & 5 Will. 4, c. 95.

My Lords observe, that the Colonization Commissioners, in their letter to Mr. Stephen, of 26th August, had represented that they had reason to believe that bills had been drawn on the commission by the officer in charge of the government of South Australia to an amount which the loan above mentioned would be insufficient to meet, in addition to the other demands on them, under contracts and engagements already entered into on account of the colony in this country. And the commissioners further submitted that, under these circumstances, they felt precluded from entering into any treaty for the loan without giving such notice to parties who might be willing to contract for it of the financial embarrassments of the commission, as would unquestionably deter them from advancing money on the credit of the colony, and they stated, that feeling no doubt that it would be the desire of Her Majesty's Government to afford them every guidance and support in difficulties fraught with so much importance to the future destinies of the colony, they applied, in the first place, for immediate directions as to the course it would be proper to adopt upon the bills offered for acceptance, and likewise for any suggestions with which it might be deemed right to favour them on the subject of the loan.

My Lords also observe, that in bringing these representations of the commissioners under the consideration of their Board, Lord John Russell signified his opinion that it would be necessary that the whole subject should be submitted to a Parliamentary inquiry as soon as Parliament should meet, with a view to an investigation of the state and prospects of the finances of South Australia, and into the origin of the existing financial embarrassments of the settlement, and the proper course to be

No. 72.
Robert Gordon, Esq. M. P. to J. Stephen, Esq.
4 November 1840.

be taken for relieving them, and arresting their further progress, and for placing the revenue and expenditure on a secure and proper footing. His Lordship, however, further suggested that it would be expedient that the immediate difficulties of the colony should be considered, with the view of ascertaining whether some steps may not be taken, with a due attention to the public interest and security, to meet the pressing emergency of the case until the whole question can be brought before Parliament, and that in the mean time the holders of the bills drawn on the commissioners should be informed that no pledge could be given for the acceptance or payment of them, but that the most peremptory instructions should be addressed to the governor to make preparations for confining the public expenditure of South Australia within the limits of the local revenue, and that it should be informed that the bills he may in future draw, unless under previous specific authority from this country, will not be accepted. My Lords further observe, that in pursuance of the reference made by their minute of 24th September, Mr. Parker having inspected the books and accounts of the Colonization Commissioners and their treasurer in this country, and having found them to be in every respect regularly kept, and satisfied himself that there are no grounds for doubting their accuracy, has submitted statements deduced from those books, and from such estimates as the very imperfect accounts and information which have been received from the governor or other financial officers in South Australia have enabled the commissioners to furnish, of the debts and liabilities on account of each of the distinct funds, which are entrusted by the Act under which the colony was established to the management of the commission. From these statements it appears, that a very considerable amount received by the late South Australian Colonization Commissioners, on account of the emigration fund of the settlement, is yet unapplied to this purpose; but that, in consequence of the very large advances made by the late commissioners from the emigration fund, for the service of the revenue fund, under the provisions of the Act of 1 & 2 Vict. c. 60, and which at the close of the past year were left unliquidated to an amount very greatly exceeding the limit prescribed by that Act, the present commissioners are not only prevented from taking measures for the transmission of further bodies of emigrant labourers to the settlement, but are likewise wholly unprovided with the means of meeting the payments already applied for, or about to become due under existing contracts relating to this branch of the service, of which the direction has been vested in them by Parliament. It also appears, that notwithstanding these large advances from the emigration fund, the revenue fund is quite inadequate to meet bills which have been drawn on the commissioners from the colony, which, although alleged to have been in the aggregate greatly in excess of the amount for which the governor and resident commissioner was authorized to draw, have many of them unquestionably been drawn for purposes competently and fully authorized, and in favour of parties to whom the late commissioners had empowered the colonial officers to apply for the advance, within certain limits, of sums that might be required in addition to local revenue to defray the necessary expenses of the local government.

Under these circumstances, my Lords entirely concur in opinion with Lord John Russell, as to the necessity for bringing under the consideration of Parliament, at the earliest opportunity, the whole of the proceedings which have led to the embarrassments in question, in order to a full revision of the system upon which, under the provisions of the Acts relating to South Australia, the government and financial arrangements of the settlement have hitherto been conducted; and my Lords are also of opinion that, until Parliamentary inquiry can be instituted, the contracting of any new engagements by the commissioners, either for the transmission of emigrants or otherwise, should be suspended.

In the meantime, however, my Lords cannot but be strongly impressed with the danger and distress to which the already large population of South Australia, consisting of persons who have legitimately proceeded to, and embarked their property in, the colony, or who have been conveyed and located there under the sanction of Parliament, and who are still almost entirely dependent on supplies from other quarters for the ordinary articles of subsistence, might be exposed by the total subversion of the credit of the local government and institutions, which would probably result from the positive and unqualified refusal and dishonour of the governor's bills by the commissioners; and my Lords cannot but likewise feel, that great injustice would attend the non-fulfilment on the part of the commissioners of the contracts entered into with parties, who, on the faith of the Parliamentary enactments relating to the settlement, have furnished shipping or stores for emigrants already conveyed or now on the passage to the colony.

To arrest these evils, my Lords conceive that they should be warranted in consenting that such guarantee should be given on the part of Her Majesty's Government, as would enable the Colonization Commissioners still to obtain the further loan, in completion of the sum of 200,000 *l.* they are empowered under the Act 4 & 5 Will. 4, c. 95, to borrow on colonial revenue securities, which was sanctioned by my Lords' minute of 17th July, and whereby the commissioners would apparently be enabled to replace to the credit of the emigration fund such amount as would actually be required to meet the liabilities of that fund, on account of emigrants already forwarded, and also to provide for the payment of such bills drawn from the colony as are likely to be presented before the arrangements regarding the colony can be brought under the consideration of Parliament.

In order to do this, my Lords would be prepared to authorize the commissioners to give an assurance to the parties who may be disposed to contract for this loan, that Her Majesty's Government will undertake to recommend to Parliament that, notwithstanding any new arrangements that may be made in regard to the government of the settlement

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of South Australia, or to the past or future proceedings of the commissioners, provision shall be made for the due fulfilment of the contract with the lenders, and of any stipulations under which the money may be advanced. At the same time, however, it further appears to my Lords, that this guarantee should only be given on the express understanding and condition, that the money thus to be raised shall not be expended except by specific authority from my Lords' Board; it being my Lords' intention that it shall only be made applicable to the liquidation of the liabilities already incurred by the South Australian Commission in this country, or to meet such drafts as may be drawn from the colony, before the prohibition from further drawing could reach the governor; and as the payments on account of the emigration fund, for which my Lords thus propose to provide, will apparently be fully equivalent to the utmost amount to which, at the expiration of the past year, the advances from the emigration to the revenue fund should legally have been left unliquidated, and the transmission of emigrants is in no respect compulsory as to time, my Lords do not deem it necessary or expedient that any sanction should be given for the adoption of measures for collecting or embarking fresh emigrants previously to the meeting of Parliament, or that recourse should be had to the power vested in the commissioners by the Act of 1 & 2 Vict. c. 60, of raising any additional sums to be applied to that purpose.

My Lords likewise conceive, that the guarantee should be given with the further express understanding, that the officer now under despatch to assume the charge of the colonial government, will be strictly enjoined to limit the expenditure of the government to the amount of the revenue collected in the colony, until he shall receive further authority and instructions, and to carry on such surveys only as are requisite for the location of parties who have effected purchases of land, taking care that they are conducted on the most economical arrangement that may be consistent with proper accuracy.

— No. 73. —

No. 73.
Lord John Russell to the South Australian Commissioners.
5 November 1840.

COPY of a LETTER from Lord *John Russell* to the South Australian Commissioners.

Gentlemen, Downing-street, 5 November 1840.

I HAVE the honour to transmit to you a letter from the Secretary of the Treasury to Mr. Stephen, and a Minute of the Board of Treasury relating to the pecuniary difficulties of the colony of South Australia.

I entirely concur with the Lords of the Treasury in the view which they take of this subject.

I have consequently to direct you to propose terms for a loan of 120,000 *l.*, giving an assurance to the parties who may be disposed to contract for this loan, that Her Majesty's Government will undertake to recommend to Parliament, that notwithstanding any new arrangements that may be made in regard to the government of the settlement of South Australia, or to the past or future proceedings of the commissioners, provision shall be made for the due fulfilment of the contract with the lenders, and of any stipulations under which the money may be advanced.

As without this guarantee on the part of Her Majesty's Government, it would be impracticable for the commissioners to comply with the terms of the Act of Parliament relating to South Australia, and that the case is one of emergency, affecting the welfare, the property, and perhaps the lives of the inhabitants of the colony, I consider myself further authorized to direct you not to expend the money thus raised without the specific authority of the Lords of the Treasury, and to comply in all respects with the terms and conditions which their Lordships have laid down in their minute.

I have only further to request that you will lose no time in acting upon the authority thus conveyed to you.

I have, &c.

(signed) *J. Russell.*

—No. 74.—

No. 74.
Governor Gawler to Lord Glenelg.
23 January 1839.

EXTRACT of a DESPATCH from Governor *Gawler* to Lord *Glenelg*, dated 23 January 1839.

THE affairs of the province at this moment are involved in most aggravated and complicated difficulties. I do not wish to make my situation appear worse than it is when I say, I do not think it possible that a governor of a colony could be placed in more trying circumstances than mine. On arriving here about three months ago, I found the public offices with scarcely a pretension to system; every man did as he would, and got on as he could. There were scarcely any records of past proceedings, of public accounts, or of issues of stores. The non-fulfilment of one of the leading principles on which the regulations made for the disposal of land were based, that "the surveys should be in advance of the demand," had produced a number of complicated questions with regard to leasing of pasturage, order of selection, and so forth, which the letter of law, as it stood, could not rectify. Sections for occupation were only laid out in the plain about Adelaide, in a district not exceeding a square of 10 miles on the side. Seven other districts, of about the same average dimensions, remained to be marked out for the choice of preliminary purchasers, who will occupy the greater part of the good land in them. The Survey department was reduced to the deputy surveyor-general, one draughtsman, and one assistant surveyor; its instruments to a great extent unserviceable, and its office with scarcely any maps of the country, and totally without system, records or regulations. Scarcely any settlers in the country, no tillage, very little sheep or cattle pasturing, and this only by a few enterprising individuals risking their chance as squatters. The two landing-places, Holdfast Bay and the Old Port, of the most indifferent description; the expense of transport to and from them to Adelaide most ruinous. The population, shut up in Adelaide, existing principally upon the unhealthy and uncertain profits of land-jobbing. Capital flowing out, for the necessaries of life, to Sydney and Van Diemen's Land, almost as fast as it was brought in by passengers from England. The colonial finances in a state of thorough confusion and defalcation. Up to this day, my written orders, given on the 18th October 1839, have not obtained for me from the treasurer abstracts of receipts and expenditure for the first three quarters of the year 1838. Almost all that I have been able to discover definitely of the finances of this period is, that the whole regulated expenditure for the year, 12,000 *l.*, was drawn and expended in the first quarter. The proceedings of the commission appointed to inquire into the state of the accounts and stores have been stopped for the want of documents. This commission has examined and passed, and I, considering the serious inconvenience which prevails from the want of money, have ordered to be paid, outstanding claims to the amount of 6,321 *l.* 4 *s.* 2 *d.*; others, to the amount of at least 2,000 *l.*, remain for reference to the commissioners. The establishment of public officers was much too low for duties to be properly performed, and their salaries so small, in proportion to the high rates of wages and provisions, that they could not live upon them. I am credibly informed that the acting judge, upon the half salary of his office, lives without a servant, and boards with the clerk of the court. New public buildings of every kind are wanted. At the gaol, built for eight prisoners, there are on the average 30, generally sailors or runaway convicts. Since my arrival six prisoners have escaped, and in consequence it has been necessary to increase very much the police force, in order to prevent such injurious events by a continual chain of sentries. My own household and office accommodations are of the most straitened and inconvenient description.

The colonial revenue is as yet insignificant, and though I am most willing loyally to amend this deficiency, and am proceeding to do so, yet, in the present state of the colony, taxes can only be imposed with the greatest circumspection, and for some time to come will probably do little more than defray the expenses of collecting them.

This, my Lord, is certainly not a complete, and I can conscientiously affirm, to the best of my judgment, not an overdrawn statement of the difficulties in which I found the colony. If to these your Lordship will add those serious dangers which must accompany a new population of persons unrestrained by mutual acquaintance, or old habits and associations, flowing in with what may be called fearful rapidity, upon a colony which stands alone at the breadth of the world from its only point of assistance or reference, I think that your Lordship will justify the persuasion that is on my mind, that, of human agency, nothing but a strong and steady hand at the helm of government can guide this colony through its early dangers. I do not venture to judge how far mine may be strong or steady, but it certainly could exercise infinitely less of strength or steadiness than it does if it were bound with a chain of iron to a party holding novel and speculative principles for which I can discover no legal authority, restless and inconsiderate in pressing them, and setting them paramount to every other consideration; a party, too, of which the leaders have not been sparing towards me personally of public insult and misrepresentation.

I therefore most respectfully request, as Mr. Mann is the mover and leader of that party, that I may not be compelled to admit him, as advocate-general and Crown solicitor, into the Council.

That in those statements in my letter which are founded on public notoriety I may not appear to be resting merely on my own opinion, I feel it right to enclose a certificate which the colonial secretary and advocate-general have drawn up and signed. I should have no

3.

No. 74. Governor Gawler to Lord Glenelg. 23 January 1839.

difficulty in procuring the signatures of the most respectable colonists to the same document, but to seek them would neither be prudent nor becoming.

I beg your Lordship, in observing the roughness of this letter, to make every allowance for the great inconvenience I suffer from the want of tolerable household and office accommodations.

I have, &c.
(signed) *George Gawler,*
Governor of South Australia.

Enclosure in No. 74.

It is as notorious in this province that Mr. Charles Mann is one of the editors of the "Southern Australian" newspaper, as that Mr. Stevenson is the editor of the "South Australian Gazette."

And we have no hesitation in stating our firm conviction, from the sentiments expressed being identical with Mr. Mann's opinions often publicly avowed, that the several articles in the "Southern Australian" having reference to the powers of your Excellency as Governor, and denying your being the resident Commissioner, or that the acts of the Council (in consequence of our having seats therein) are constitutional or legal, are productions emanating from the pen of Mr. Mann.

(signed) *Geo. W. Stephen,* Colonial Secretary.
Robert Bernard, Advocate-General.

Adelaide, 30 January 1839.

— No. 75.—

No. 75. R. Torrens, Esq. to J. Stephen, Esq. 24 August 1839.

Copy of a LETTER from *R. Torrens,* Esq. to *J. Stephen,* Esq.

South Australian Colonization Office, Adelphi-terrace,
24 August 1839.

Sir,

The Colonization Commissioners for South Australia have the honour to acknowledge the receipt of your letter of 6th instant, enclosing despatches from the Governor of South Australia, of the numbers and dates specified in the margin, and calling their particular attention to the report contained in despatch No. 1 on the state of the colony; also requesting their opinion with regard to the statements which that report contains respecting the state of the finances, the pursuits of the settlers, and the general condition and prospects of the colony.

No. 1, Jan. 23.
No. 2, Feb. 2.
No. 3, Feb. 14.

The Commissioners having given to the several despatches that attention which their importance demands, request that you will submit to the Marquess of Normanby the following observations thereon:

With respect to the suspension of Mr. Mann from the office of advocate-general and Crown solicitor, and the appointment of a successor, which forms the subject of part of despatch No. 1, and the whole of despatches Nos. 2 and 3, the Commissioners have already, in their letter of the 19th June, expressed an opinion (to which they have reluctantly arrived) that it will be necessary to confirm the suspension of Mr. Mann, and in the same letter they ventured to recommend that the appointment of a successor be left with Governor Gawler; a recommendation which the Commissioners now beg leave to confirm.

The report contained in despatch No. 1, to which the attention of the Commissioners has been more particularly directed, has reference to the following points:

1st. The backward state of the surveys, and the evils resulting therefrom.

2d. The financial state of the colony at the time of Governor Gawler's arrival; and,

3d. The condition and prospects of the colony at the date of Governor Gawler's despatch, viz. the latter part of January last.

As the first of these points (the backward state of the surveys) has been treated with great minuteness of detail in the Commissioners' Third Annual Report (page 8), and as the measures which were adopted to secure the colony against a continuance of the evil are also stated at page 12 of the same Report, the Commissioners conclude that it will be unnecessary for them to trouble the Marquess of Normanby with further remarks thereon.

The second point also (the financial state of the colony at the time of Governor Gawler's arrival) has been treated at considerable length at page 13 of the Third Annual Report. The continued delay in transmitting to this country the accounts of the colonial expenditure prevents the Commissioners affording any information of importance beyond that contained in their Report. They think it necessary, however, to correct an error into which Governor Gawler appears to have been led, with reference to the expenditure in the early part of the year 1838. He says, "Almost all that I have been able to discover definitely of the finances of this period, is, that the whole regulated expenditure for the year (12,000 *l.*) was drawn and expended in the first quarter." As stated in that part of the Third Annual Report to which the Commissioners have referred, the late colonial commissioner, having apparently misunderstood his

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his instructions, did in fact draw bills on the Commissioners to the extent of 12,000 *l.* in the first quarter of 1838; but most of these bills were drawn for the purpose of obtaining specie from the neighbouring colonies, and the proceeds were not expended till long afterwards.

The third point embraced by Governor Gawler's despatch, viz. that which has reference to the condition and prospects of the colony, is one to which the Commissioners feel it their duty on the present occasion chiefly to address themselves.

The general tenor of Governor Gawler's despatch evidently shows that it was written under considerable excitement; a state of mind which, in the opinion of the Commissioners, is fully explained by the persevering and annoying opposition to his measures, of which he so earnestly and so justly complains, and by the constant and harassing demands on his time and attention, arising out of the rapid influx of settlers, the backward state of the surveys, and the necessity for the utmost exertions to give efficiency to the several departments of the public service. These are circumstances under which, in the opinion of the Commissioners, any one would naturally dwell upon the difficulties of his position, and unintentionally magnify the obstacles with which he would have to contend.

It is in this manner that the Commissioners account for Colonel Gawler, notwithstanding the excellence of his judgment and the ordinary calmness of his mind, giving expression to opinions as to the present state and prospects of the colony, which to the Commissioners do not appear to be borne out by the facts of the case.

Colonel Gawler is apprehensive that for some time to come the colonial revenue will do little more than defray the expense of collecting it. The Commissioners cannot entertain this apprehension. Although they fully agree with Colonel Gawler as to the necessity for great circumspection in imposing taxes during the infancy of the colony, yet, bearing in mind that upwards of 100 vessels (many of large tonnage) discharged their cargoes in the ports of the colony in the year 1838, and that the Swan River colony, with one-third of the population, and probably less than one-third of the trade of South Australia, is understood to afford a revenue of about 5,000 *l.* per annum, they cannot but be of opinion that, under the judicious management of Colonel Gawler, South Australia will be found capable immediately of producing a considerable net revenue.

It appears from Colonel Gawler's report, that at the time he wrote few of the settlers were engaged in agriculture, consequently that large imports were made of the necessaries of life; while, on the other hand, the exports of the colony were comparatively trifling. Such a state of things in an old-established community would undoubtedly lead to disastrous results; and Colonel Gawler, not bearing in mind probably the peculiar circumstances of South Australia, appears to contemplate it with considerable uneasiness. A little consideration, however, will show that there is nothing in this state of things which ought really to excite either surprise or alarm; that it does not indicate an unhealthy state of society, but is the natural and inevitable result of the rapid growth of the colony.

A reference to the Third Annual Report will show that from the first establishment of the colony (in the year 1836) to Midsummer 1838, the number of emigrants despatched from this country was 3,122; while in the latter half of 1838, the number, including 600 Germans, was 2,800. Thus it appears, in the six months subsequent to Midsummer 1838, nearly as many emigrants were despatched to the colony as in the previous two years and a half.

The emigrants despatched in the last six months of 1838 were those who would be in the course of arrival at the date of Governor Gawler's despatch. These 2,800 emigrants would manifestly require a proportionate number of additional houses; that is to say, a number nearly as large as that which existed previously to the arrival of the first portion of them; consequently, in the short space of six months, the number of houses and the fixed capital of every kind would require to be doubled. To erect this great number of houses, and at the same time to carry on the importation and distribution of food and other necessaries, would require scarcely less than the whole strength of the colony; and, in point of fact, the labourers sent out up to the period under consideration, consisted for the most part of carpenters, bricklayers, stone-masons, smiths, and others required in the erection of buildings.

In January last (only a year and three quarters after the selection of town lands), in addition to a church, two or three meeting-houses, and various public offices, Adelaide alone contained 620 houses. During the construction of these buildings, the artificers would of course require a supply of food, and as the erection of houses was undoubtedly, under the circumstances of the colony, a more profitable occupation than the growth of food, it was to the interest of the settlers to employ their time and capital in the former rather than in the latter occupation, and to import rather than grow their food; and there can be no doubt that the large capital thus created far exceeds in value the cost of provisions and other necessaries which would be consumed in the meantime.

That the course adopted by the colonists did not in reality lead to an objectionable drain of capital, is fully established by the fact, that in the month of January last (that in which Colonel Gawler wrote) the large sum of 24,662 *l.*, as shown by the official accounts, was received by the colonial treasurer in cash for land purchased by the colonists directly of the Commissioners; and it appears from private letters (the official accounts not having yet arrived), that a large sum (probably not less than 15,900 *l.*) was received in the same manner, and for the same purpose, in the following month of February.

That so large a sum as 40,000 *l.* in ready money should have been paid over for the purchase of land in the short space of two months, may perhaps justify some apprehension that

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land speculations are embarked in too eagerly, but it is utterly inconsistent with the notion that the colonists are becoming impoverished.

It may be necessary to add, that although the colonists have hitherto depended chiefly upon their imports for provisions and other necessaries of life, yet that tillage to some extent had commenced at the date of the last accounts from the colony, and that the Commissioners are now despatching large numbers of agricultural labourers to South Australia; also, that at the beginning of the present year the colony contained the following stock, viz. 28,000 sheep, 480 horses, and 2,500 head of cattle; and further, that considerable quantities of South Australian oil and wool have already been exported from this country.

In conclusion, the Commissioners earnestly recommend that every necessary step may be taken to maintain and support to the utmost the due authority of Governor Gawler. They have great reliance on his judgment, energy, and discretion; and in the good sense and good feelings of the colonists at large. They, of course, do not expect South Australia altogether to escape difficulties, and perhaps even temporary reverses; but they look with perfect confidence to the final and universally acknowledged success of the principles on which the colony is founded.

3.

The despatches to which this letter refers are herewith returned.

I have, &c.

(signed) *Robert Torrens*,
Chairman of the Commission.

—No. 76.—

Journal of Proceedings of the Council; Friday, April 3, 1840.

No. 76.
3 April 1840.

The Council met at 10 o'clock:—Present, His Excellency the Governor, the Colonial Secretary, the Surveyor General, the Assistant Commissioner.

The Governor laid on the table the colonial treasurer's abstract of the public revenue and expenditure of the province for the quarter ended 31st December 1839, and the report of the Board of Audit, by whom the accounts for the period to which this abstract referred had been closely examined. His Excellency then read to the Council the following financial minute with reference to the public accounts of the province for the year 1839, and to the probable expenditure of the year 1840:—

Gentlemen,

It is with great satisfaction that I find myself able to lay before the Council the abstract of accounts for the quarter ending the 31st December 1839, and at the same time to mention that the details upon which this document is founded have already passed the Board of Audit, and are actually making up for transmission to England.

They are clearly and methodically arranged, and afford solid grounds for the expectation that, through the great intelligence and attention of the colonial treasurer, Mr. Jackson, the public financial proceedings will at once assume a condition befitting the advanced state of the colony.

In entering into a general examination of this quarterly abstract, I shall at the same time refer generally to the probable expenditure of the current year, and to the actual expenditure of that recently concluded.

I regret that it is not in my power to enter closely into this last subject, from the circumstances that the accounts of the first three quarters have only lately been transmitted to the auditor-general, and are in consequence still unexamined.

The total amount of expenditure during the last quarter of the year 1839 has been 34,291 *l.* 15 *s.* 9 *d.* It must, however, be carefully remarked, that of the whole year's expenditure a very large portion has been applied to what I may call the outfit of the colony, to objects which form no part of the ordinary expenditure, and of which the value actually remains in the colony as stock in hand.

Of this class are, horses, bullocks, teams, carts, harness, saddlery; for the police, survey, and store departments; the Waterwitch cutter, the Lady Wellington; boats and barges of different kinds for the customs, harbour, and survey departments.

A large and expensive set of instruments for the survey department; marquees, tents, camp stools, tables, cooking and eating utensils, tools, &c., for the survey, police, and store department.

Houses for the police, customs and survey; storehouses for the emigration and aborigines departments at Port Adelaide, Glenelg, Willunga, and Encounter Bay.

The new government-house, public offices, survey stables, police barracks and stables, barracks for the sappers and miners, houses for the colonial storekeeper and emigration agent, bonded store, cottages for the aborigines, and aborigines department, &c. &c.

In addition to these, other necessary works have been executed, by which the convenience either of the public service, or of the colonists, and the value of property in the colony have been permanently increased.

Among

Among these are,

Signal posts at Glenelg and on the West Terrace.

The clearing of the park land of the huts which were erected on it by the early settlers.

The clearing of a large number of the streets of Adelaide, and of the road from the bridge to the iron stores, of trees and stumps.

The erection of the wooden bridge across the Torrens, of which part only of the expense was defrayed by private contributions.

These works, and others in the town and its neighbourhood, have been carried on by the town surveyor; the wood procured by the felling of trees has furnished a supply of fuel to the public departments.

The clearing of great lines of road, as from Onkaparinga, through Willunga, to Encounter Bay, Currency Creek, and Yankalilla, as well to open the communications between the survey parties and their stores, as to remove one of the greatest objections to travelling and settling in the country.

The necessity for objects of the two kinds above mentioned, during a period in which the province has been passing from the state of a settlement to that of a considerable colony, has been most urgent.

Many pressing requirements of a very expensive character still remain. Among these are wharfs, public sheds, custom-house, and other works at the New Port. A city gaol, a new immigrant depôt, and an infirmary. The present substitutes for the three last mentioned buildings are not only most discreditable to the province, most inconvenient and insufficient, but they actually entail a heavy burthen of expense, of the fruits of which no visible traces remain.

In the instance of the gaol, respectable persons confined for debt are crowded in a small space with felons of the worst description, and all are kept in, not by walls, but by a multiplication of sentries, creating a very expensive gaol establishment. Five prisoners escaped from the gaol during the past year, of whom, however, four were retaken at a considerable expense, of course, of time and labour. His Honor, the Judge, has recently forwarded to me a presentment from the grand jury on this subject, which I now lay before the council.

The immigration depôt, a collection of wooden buildings, erected only two-and-a-half years since, has recently required an outlay of about 700 *l.* to put it in tolerable repair. It is very inconveniently situated with regard to water, and does not afford that comfortable and healthful shelter which persons coming off so long a voyage require.

Temporary buildings in this climate are very much opposed to real economy; they are enervating to the constitution, they harbour vermin, soon suffer from the action of the atmosphere and require repairs, and are most liable to accidents from fire.

My system has been to construct public buildings of durable materials, to the full extent that I conceived myself able to go; and to limit expense by making them of a size sufficient only for present absolute necessity, on plans that were suitable for future enlargement.

The Old Port has required a considerable sum of money to keep it available for use. The works at Section (A.), New Port, must go on if the commerce of the colony is to continue in activity. They are estimated to cost about 8,000 *l.*

A part of the expense of the Infirmary will be defrayed by private subscriptions, but a large portion must be contributed by the Government. The number of immigrants and other persons requiring relief from such an institution is already very considerable, and the cost of them, as out-door or in-door patients, very great.

In considering the expenditure, it is important to bear in mind not only the fact which has just been stated, that a very large proportion of it has been required by objects necessary for what may be called the outfit of the colony, but also that but a small proportion of it has been applied to the salaries and direct expenses of the Government; by far the greater part having gone to the direct benefit of the colonists. By the accompanying very carefully compiled statement of receipts and expenditure, it appears that the actual expenses of the Government for salaries, judicature, police, customs, and a variety of incidental expenses, has been 550 *l.* 19 *s.* 10 *d.*; while those of the land and survey departments which form no essential part of the Government, of the immigration department, of which new colonists are the direct objects, and of public works, horse and cart hire, and so forth, which flow directly into private purses, amount to 29,140 *l.* 15 *s.* 11 *d.*

The Government can subsist well on the internal revenue, but the colony cannot, as yet, proceed and prosper without considerable assistance from external sources.

Salaries.—None of the public officers are in the receipt of salaries surpassing a fair and reasonable remuneration, and a very large proportion of them, as regards the year 1839, are very much below this standard. Many have had to struggle with great pecuniary difficulties, and I have felt it my duty to make every justifiable effort in such circumstances to assist zealous and useful functionaries. The salaries of most of the subordinate branches, and of some of the superior classes, were raised before the close of 1839, the period under investigation. To some, gratuities have been accorded, and the claims of the public officers in general have been strongly represented by me to Her Majesty's Government and to the Commissioners. Long experience in the public service has convinced me that there cannot be a more generally unsuccessful policy than that of attempting to economise public expenditure by a mediocrity too rigid in the salaries of public officers. I could prove that a large proportion of the extraordinary expenditure of this province has proceeded from such a cause.

No. 76.
3 April 1840.

With regard to the numbers of public officers, under the great inconvenience which exists from insufficient office accommodations, there are not enough to do the duty of the province properly. When the public offices are finished and public departments brought together in them, with suitable accommodations, it will, I think, be generally possible to perform it with satisfaction with the present establishment, allowing, of course, for increase in regard to secondary towns and districts.

Aborigines.—The daily support of 120 men, women and children, even though it consist but of biscuit, or rice and sugar, becomes a large item. There have also been erected, in connexion with this department, two houses for German missionaries, a schoolmaster's residence, and five neat cottages for the natives at Adelaide, and a house for a missionary at Encounter Bay; a large sized building for a school-house and hospital are also in course of construction at Adelaide. Other expenses of a miscellaneous character have been incurred on the same account.

The Police.—In the peculiar situation of the colony it has been of the greatest importance to pay extraordinary attention to the efficiency of this department. The city of Adelaide, scattered over a surface which would contain twenty times its present number of houses and inhabitants, requires nearly as large a police force for its protection as though the full complement of houses and inhabitants were upon it. The country stations, extending over a territory of at least 40 by 130, or about 5,000 square miles, demand also a numerous mounted police to afford them proper security.

The conduct of immigrants from England, whether of those who have borne the expense of their own passages, or of those who have been sent out by the assistance of the immigration fund, has been very creditable. Very few criminal offences have been committed by persons of these classes; but, in addition to them, our white population consists not only of highly respectable and very valuable settlers from the neighbouring colonies, but of a large number of persons who have been first transported to those colonies for offences committed in the mother country, and have then, by different means, principally by accompanying overland parties, found their way to South Australia. I once indulged the hope that these persons, weary of crime, of disgrace and of punishment, might, in blending with our population, become useful and creditable members of society; it is melancholy to state that, with a large number, this has not been the case. Two-thirds of the prisoners in our gaol have invariably consisted of them; one-half of the remaining third has usually been composed of runaway sailors from vessels in the port.

To preserve the public in security from the offences and disorders of these classes, and further to control the ill-informed and sometimes very lawless natives, a more efficient police must be maintained than, under ordinary circumstances, the same extent of territory would require.

The outfit and actual expense of such a force, in a country in which prices and wages are high, are of necessity very great. The sum expended in horses alone for the mounted police is considerable. It was necessary that they should be of the most useful description that could be procured in the colony, and these have of course generally been, in first prices, the most costly.

I am happy to be able to add that the police has answered to the care and expense that have been bestowed upon it. In the face of the difficulties with which it has had to contend, it has preserved both the town and the rural districts in a state of tranquillity which is not surpassed in the most favoured portions of the mother country, or of any nation in the world.

The Commissioners of Police concur with me in the opinion, that, instead of reducing the police force, it should rather, on the contrary, be increased; I lay on the table their statement on this subject. At this moment police stations near the lake mouth of the Murray and at the Great Bend would be useful in securing the peace which, in these quarters, has been sometimes interrupted between the overland parties and the aborigines, and in encouraging settlers to establish themselves in that important district; and if *ad valorem* duties on imports are imposed, police stations will be necessary at these points for the collection of them.

Connected with the police are the keepers of the park lands in Adelaide; this body was instituted at a period when very serious depredations were being extensively committed. Covering, as the park lands do, an extent of 12 miles in length, with a considerable width, six men at first were absolutely necessary to give a decided check to the evil; the greater number of these, however, were convalescent emigrants, who were thrown for support upon the Government, and could perform no laborious work; these have been allowed, as was intended, gradually to drop off, and the body has consisted for some time past of only two. It is to be lamented that this number is insufficient for the object, and that unless an increase be made, the park lands will be rapidly disfigured, and rendered unfit for the laudable purposes for which they were intended.

Customs and Harbour Departments.—From the peculiar character of our coast, and from the circumstance of there being two landing-places for Adelaide at a distance of 10 miles apart, a considerable custom-house establishment is necessary; that which exists I have long known is insufficient for protecting the revenue and the fair trader.

To the public works at Section (A.), New Port, allusion has been already made; they are under the joint and very efficient direction of Captain Lipson and Mr. Kingston; the latter undertaking all that properly belongs to the architect and engineer. I am most gratified

to

to be able to mention that they are in a state of forwardness, and that I hope they will be ready for public use as soon as the road is opened.

The mud barge also has been an object of considerable expense; but the work done under the orders of Captain Lipson is most important, and commensurate with the cost.

In connexion with the harbour-master's department, it should be noticed that I thought it right, in conformity with permission from the commissioners, to sell the colonial brig Rapid. I did so with great regret; commercial as this province is, and extended as our own outports must rapidly become, it would have been not only creditable, but useful, to have had such a vessel in the public service.

It has, however, been my great desire to confine the expenditure of the province to absolutely necessary purposes, and, under this consideration, I have dispensed with a somewhat expensive vessel, and have substituted in her stead a cutter of 27 tons burthen, of the bare sufficiency of which I am nevertheless very doubtful.

Under the same consideration of economy, I have also, with regret, ordered Mr. Pullen's operations on Lake Alexandrina to cease, when he shall have buoyed off the channel from the elbow of the Murray to the main lake.

Immigration.—The distance of the town of Adelaide from its landing-places, without connecting railroads, renders this department very costly. Its extraordinary expenses are also greatly augmented by the number of sick and pauper emigrants who are thrown upon it for medical comforts, nurse attendance, and general support for themselves and their families. I have reason to be much satisfied with the exertions of the late emigration agent Mr. Smillie, and those of the colonial surgeon, Mr. Nash, to introduce regularity and economy into this important branch of the public service.

Storekeeper's Department.—The expenses of the storekeeper's department are also enormously increased by the distance of Adelaide from its landing-places, without intervening railroads; this increase of course extending itself through this department to almost every branch of the public service.

Survey Department.—The largest item of expenditure exhibited in the quarterly abstract is that of the survey department. This includes the expenses of exploratory expeditions, payments to private surveyors employed at the public expense, the cost of opening lines of road, as those to Encounter Bay, Currency Creek, and Yankalilla, through wood and thick brush, and every other expense connected with the survey except that of the storehouses and other buildings which have been erected for it; these are for the present entered under the head of public works.

In my remarks to the council on the 14th of January last, as published in the Gazette of the 16th of that month, I described the survey as a most expensive department. I hope that observation may not have been misunderstood. I did not mean to convey that the work done during the past twelvemonth by the survey department was, considering the general state of the colony, disproportionate to the expense incurred. In possession, as I have been, of the best means of knowing the difficulties it had to encounter, the real nature and extent of the work performed, and the application of its expenditure, I can state that such an impression would be erroneous and unjust. The expense of the survey department has been very great, but the difficulties overcome and the work performed have been very great also.

Contemplating the state of the colony and of the survey department in November 1838, it could not have been reasonably expected that, in little more than a twelvemonth, more could have been done than has been done. The change produced in the colony since that period by the exertions of the survey department and of individuals connected with it has been immense.

At that period sections were laid out only over about two-thirds of the mere plain of Adelaide, that is, for about four miles to the north and seven miles to the south of the city. A considerable number of even these sections were so incorrectly measured, or their marks so much obliterated, that very tedious remeasurement was necessary. The remainder of the country, excepting the vicinities of the sea-coasts of Rapid, Yankalilla, Unkeparinga, and Encounter Bays, and the old tracks to Encounter Bay, Mount Barker, and the Gawler River, was not only unsurveyed, but positively unknown.

The first operation necessary for the due prosecution of the ordinary survey was what may be called a geographical survey. It would have been most inexpedient to have thrown survey parties over the face of a country until that country was known to the director of the department, and the great lines of roads and communication, the position of depôts of provisions, and other Government stations were determined. Our peculiar system of land appropriation, which admits of no abstraction from property once sold, for roads or any other public purpose, renders imperative an intimate previous extensive knowledge of the country to the governor, resident commissioner, and surveyor-general. The evils which may arise from the want of it are very great; some have been already experienced.

In this geographical survey, Mr. Finniss, recently appointed one of the deputy surveyors-general, but then a partner of the land agency firm of Light, Finniss & Co., rendered me very great and honourable assistance.

The result of the geographical survey is, that the country has been generally searched out and laid down on paper for an extent including, in width, from the Gulf St. Vincent to the River Murray, about 50 miles, and in length, from Cape Jervis, Encounter Bay, and Lake Alexandrina, to about the latitude of the Great South Bend of the Murray, about 140 miles,

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140 miles, making an area of about 7,000 square miles. The features of this district are well known—its great leading lines of communication, the probable boundaries of future countries, and other important particulars decided. Survey parties are scattered over it, and are most actively engaged in throwing off its available portions into sections. Depôts of provisions and other necessaries are formed; lines of communication which were difficult have been opened, and all arrangements made to insure a rapid, and, as far as the nature of the country and the circumstances of the province will permit, an economical progress of the work.

From the commencement of the year 1839 to the 29th February last, about 113,000 acres have been marked off in sections, exclusive of special surveys. Of these last, six, namely, the Mount Barker, the Gawler, the Three Brothers, the Little Para, the Meadows, and Currency Creek, are completed, or on the very point of being so, including, of course the survey of 90,000 acres. Thirteen other special surveys are actually in hand.

Beside this, Mr. Pullen has sounded all the different channels between Lake Alexandrina and the coast of Encounter Bay, including the great eastern branch, and is now employed in buoying off the navigable channel from the elbow of the Murray, or "Gool-wa," into the main lake.

The harbours of Streaky, Smoky, and Denial Bays have been surveyed and sounded by Mr. Cannan, and a chart of them sent to the commissioners; and private surveyors, working in connexion with the Government, have sent in plans of Ports Lincoln, Victoria, and St. Vincent.

On contemplating the effect produced, and on considering that at the commencement of the period referred to there was no survey department, no surveyor-general or deputy surveyor-general, no tents, survey instruments, horses, bullock-teams, or other materials indispensable for the work; in considering that one-half of it was performed through a rainy winter, in a wild country with unformed communications, and that during the whole of it wages, bullock and horse hire, the prices of provisions, and of almost every necessary, have been extravagantly high; on considering these things, my opinion is, that, according to the state of the colony, the work done has been proportionate to the expense incurred, and that every true friend of the colony should, as regards the survey department, feel gratified at the result of the past, and confident in the expectation of the future.

The department is now under most complete and sufficient superintendence, and is probably not inferior to the best survey establishment in other British colonies.

In connexion with the survey is the town-surveyor's establishment. The duties of that officer have been to lay out and give over sections in Adelaide and in its neighbourhood, and to act as town-engineer. In the latter capacity he has cleared a large number of the streets of the town of trees and stumps, has supplied the public offices with wood, has built the bridge over the Torrens, cleared the avenue to the iron stores, and removed from the park-lands the huts that were built on them by the original settlers. His office will cease when similar duties are thrown into the hands of the municipal council.

As far as private surveyors could be found, who were willing to work by contract, that mode has been attempted; it is, however, altogether unsuited for the state of the colony, and, with some creditable exceptions, has been very unsatisfactory and expensive. I am persuaded, on practical grounds, that no greater injury could be done to the province than that of attempting to survey by contract on a large scale; and in this opinion the decided concurrence of the surveyor-general is expressed in his reply to a communication from me on this and other subjects.

Including the special surveys, there remain in round numbers about 200,000 acres to be surveyed of land actually purchased. On considering this large extent of work, and the pledges of the commissioners that the surveys should be in advance of the demand, it is most evident that the means of exertion of the department ought not to be reduced.

This is a general view of the public expenditure, and the objects of it. It is only general, for neither my recent office accommodations, nor time, have allowed me to commit to paper a closer representation.

From this view, however, I think the members of council will have seen that every step in excess beyond the directly authorized limit has proceeded from imperative necessity. It has been from imperative necessity—That public buildings have been erected and public works constructed; that the number of public offices, and the salaries of many, have been increased; that the aborigines have been supported and expenses incurred towards their improvement; that the police force has been increased and maintained in efficiency; that the customs and harbour departments have been supported as they are; that great expenses have been incurred in the immigration and colonial storekeeper's departments; and lastly, that the survey department has been increased to the highest possible state of working power and efficiency, although the risk and expense of such a proceeding, in the passing state of the colony and its territory, have been immense.

I am sure that the members of the council will recognize, without demonstration, how utterly inexpedient and dangerous it would have been to have held the affairs of the province

vince in stagnation for a twelvemonth, until a statement of our necessities and difficulties had been forwarded to England and answers received in reply.

Moreover, while I freely admit that there have been irregularities, and consequent excess of expenditure, I think the members of council will also perceive that those evils have only existed from imperative necessity—a necessity arising from the state of the public departments, of public office accommodations, and of the colony at large.

I foresaw distinctly, what any other man acquainted with public business and the machinery necessary for transacting it properly would have foreseen, that, in the state of the public departments and of the colony, efforts made on a large scale for extensive public objects, must involve the risk of considerable irregularities. But this danger would not have been a sufficient reason for limiting the police force, and thereby allowing the town to be overrun with depredators and the country with bushrangers, or for keeping the survey at a low establishment, and thereby forfeiting the pledges of the commissioners, and preventing land purchasers from entering upon their sections for ruinous and incalculable periods; or for checking other public efforts with other similar certain evil consequences. I saw the risk of irregularities and encountered it. I have no objection to state that they have occurred; but in almost all cases it has been from the Government that the first information concerning them has proceeded. I feel it right, however, at the same time to state, distinctly, that they have been small in proportion to the benefits effected, and of the kind which every intelligent man may conceive. It would have been strange indeed if the province had passed from what it was sixteen months ago, to what it is now, without them, or evils equivalent to them. I apprehend that, in thus taking notice of such circumstances, more weight is given to them than they deserve. They are only mentioned from the conviction that full veracity of statement is as essential to political as it is to private propriety and prosperity.

It is most obvious that every community is bound to exert itself to the fullest extent of reason and justice in supporting the expenses of its public establishments; and I will never hesitate to bring this principle into practice, as far as reason and justice will admit of it. The difficulties, however, in the way of legislation of all kinds, and especially of that part of it which embraces the imposition of taxes, have been very great. With the most sincere desire to take every proper means of leading the province to support, as far as possible, its expenses, I have as yet found it utterly impossible to do more towards this end than has been done. It must always be remembered that a revenue has been received in the province for the quarter especially under consideration to the amount of 5,694 *l.* 19 *s.* 4*d.*, or at the rate of more than 22,000 *l.* a year. In a very short time, still more efficient measures may be adopted. As soon as the period necessary for the continuance of the present Customs Act shall have expired, it will be proposed to the council to substitute in its place a scale of *ad valorem* duties on all imports; and the Municipal Corporation Bill will in a short time remove many large items of expense from the accounts of the Government. I am most anxious that these enactments should be brought into operation.

It appears to me that the state of the province affords most striking evidence of the propriety of the financial course which its Government has pursued. There is not in the history of the world an instance in which, after little more than three years from the foundation, any colony at a great distance from its parent state has attained to the same high degree of peace, order, and prosperity, as that in which this province now stands; on the contrary, it has been observed by all inquirers, and among others by the talented individual who had perhaps the greatest share in originating this colony, that modern colonies have been remarkable for their early disasters. Financial proceedings are not alone the causes of political prosperity, but, under the blessing of God, they are certainly leading means towards it.

The establishment of the colony has cost a large sum, but it is probable that no British province has ever attained to the same condition at, to say the least, a smaller price. However great the expenditure may be, the results are great also.

Three years and a half ago the spot on which we are now standing was a desert unknown to Europeans; now we are surrounded by a populous, and, to a considerable extent, handsome city; our principal streets are lined with well-filled warehouses and shops, and crowded by all the attendants of active traffic.

Handsome and substantial buildings are to be seen on every side, and are rapidly increasing. Our port, which, a few years since, was an unknown salt-water creek, covered only by water-fowl, and enclosed in a mangrove swamp, is now filled with large shipping from Europe, India, and the neighbouring colonies. The swamp is traversed by a substantial road, and handsome wharfs and warehouses are rising on its borders. A steam tug is promised by the commissioners, and, with such conveniences, there will not be a finer harbour for vessels drawing under sixteen feet water. Ships of larger dimensions may discharge their cargoes from the Gulf, which is in itself a secure roadstead. The neighbourhood of the capital is studded with numerous and populous suburbs and villages, while the more distant country, whether to the north, the east, or the south, is rapidly assuming in population that healthy and natural proportion which it ought to bear to the metropolis.

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Farming establishments are in active formation on every side, and it is now a matter not merely of hope, but of sober expectation, that our magnificent agricultural vallies will soon be filled with produce sufficient for home consumption. Flocks and herds of cattle from New South Wales, following each other in countless succession, already cover a tract of 200 miles in length, and their enterprising proprietors are even now seriously contemplating a noble attempt at geographical discovery, which bids fair to make this province the great entrepôt of the south of Australia. Our institutions are assuming a condition of stability. Our public departments have attained to a high degree of system and order. The aborigines have been kept under humane control, and considerable, though I regret to say as yet unsatisfactory, efforts have been made towards their civilization. Property and private rights enjoy as much protection as in any country in the world, and peace, union, and good understanding reign throughout the community.

Land has been surveyed to an extent capable of containing three times the present amount of population, and the most promising arrangements are in active operation for completing, in a comparatively short space of time, the survey of those rich and beautiful districts already discovered, which would enable us to increase it from ten to twenty fold.

These are the results of the united efforts of the Government in its different branches in England and in the province, of the colonists here, and of the friends of the colony elsewhere; and every reasonable man who considers them in connexion with the space of time in which they have been produced, must be prepared to admit that they could not have been accomplished without considerable expenditure, as well as labour, intelligence, and enterprise.

The several members of council expressed their full concurrence in the view which his Excellency had taken of this important subject, and their conviction that the large government expenditure of the last year had been of essential benefit to the province. The members were unanimously of opinion that if his Excellency had strictly confined the public expenditure within narrow limits, and had deferred to a future period the important works which had been alluded to in the minute, the effects of such a course of policy must have been highly injurious, if not fatal, to the prosperity of the colony.

Adjourned at half-past 12 o'clock.

George Hall, Clerk of Council.

The following is the statement of receipts and expenditure referred to in his Excellency's minute.

George Hall, Clerk of Council.

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ABSTRACT of RECEIPTS and EXPENDITURE of the Colonial Government, for the Quarter ending 31st December 1839.

RECEIPTS.

	£.	s.	d.	£.	s.	d.
REVENUE:						
Customs	5,194	12	5			
Postage	107	2	11			
Fines and fees	290	6	–			
Licences	98	–	–			
Permits	4	18	–			
				5,694	19	4
Quarterly transfer from land fund	3,000	–	–			
Proceeds of bills drawn on Commissioners	17,175	2	–			
From J. B. Hack & Co. for brig Rapid	2,128	15	4			
From colonial storekeeper, proceeds of sale of stores	72	5	6			
Advance from Bank of South Australia	15,000	–	–			
Interest on daily balance in bank	5	17	2			
				37,382	–	–
TOTAL Receipts			£.	43,076	19	4

EXPENDITURE.

	£.	s.	d.	£.	s.	d.
CIVIL:						
Governor's establishment	370	–	–			
Colonial secretary's department	137	10	–			
Department of colonial treasurer, accountant-general, and collector of internal revenue	197	10	–			
Customs' department	1,073	5	7			
Auditor-general	37	10	–			
Postmaster-general's office, including conveyance of mails and rent of office	119	19	8			
Colonial surgeon	50	–	–			
Harbour-master's department	337	14	8			
Protector of aborigines' department	107	10	–			
Colonial storekeeper's department	449	3	6			
				2,880	3	5
JUDICIAL:						
Supreme Court	165	–	–			
Advocate-general, including allowance for a clerk and an office	108	13	–			
Resident magistrate's court	165	12	–			
Sheriff, including allowance for office	57	10	–			
Gaol establishment	170	14	–			
Clerk to bench of magistrates	25	–	–			
Coroner for inquests	35	14	–			
				728	3	–
POLICE:						
Superintendent	62	10	–			
Inspector, sub-inspectors, and constables	1,404	15	5			
				1,467	5	5
ECCLESIASTICAL:						
Colonial chaplain, including allowance for one horse	75	8	–			
				75	8	–
Total Government Establishment			£.	5,150	19	10
Land office	223	15	6			
Survey department	3,725	6	9			
Emigration agent's department, including payment to surgeons superintendent	744	19	2			
Total Land, Survey, and Emigration Departments			£.	4,694	1	5
Carried forward			£.	9,845	1	3

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	£.	s.	d.	£.	s.	d.
Brought forward - - -	-	-	-	9,845	1	3
MISCELLANEOUS DISBURSEMENTS:						
Public works - - - - - -				7,879	5	–
Stores for coloni storekeeper - -	4,445	1	6			
Cartage of ditto - - - -	280	–	–			
				4,725	1	6
Stores, instruments, rations, &c. for survey, including expenses of expeditions for purpose of geographical survey -	4,766	19	1			
Horses for survey - - - -	764	–	–			
Horse and bullock hire for survey -	702	10	3			
				6,233	9	4
Harness, clothing, hay, stores, &c. for police - - - - - -	977	12	6			
Houses for police - - - -	890	–	–			
Horse-hire for police - - - -	437	–	–			
				2,304	12	6
Marine stores and boats, &c. for harbour department - - - - - - -				490	7	8
Store ship and punt - - - - - -				530	–	–
Stores for emigration department - -	154	13	6			
Cartage of baggage for emigrants -	612	10	–			
				767	3	6
Expenses of conducting prosecutions - - -				86	2	–
Passage-money of prisoners and guard to Sydney -				162	–	–
Infirmary - - - - - - - - -				151	3	–
Colonial botanist for wages - - - - -				15	9	7
Printing - - - - - - - - -				498	4	–
Men employed by town surveyor - - - -				171	9	8
Sundry miscellaneous - - - - - -				368	2	1
Pensions, &c. on account of Home Government -				64	4	8
Total Miscellaneous - - - - - - -						24,446 14 6
Total Expenditure properly belonging to Quarter - -						34,291 15 9
Paid to Osmand Gilles, Esq. late colonial treasurer, to meet the claims upon Government, for quarter ending 30 September 1839 - -						11,447 1 1
TOTAL Disbursements - - - £.						45,738 16 10

	£.	s.	d.
Total Disbursements - - - - - - -	45,738	16	10
Total Receipts - - - - - - - -	43,076	19	4
Excess of Expenditure for Quarter - - £.	2,661	17	6

Compiled from cash vouchers of the Colonial Treasury.

(signed) *J. Alex^r. Jackson,*
Colonial Treasurer and Accountant-general.

Colonial Treasury, 24 Feb. 1840.

— No. 77. —

COPY of a DESPATCH from Lord *John Russell* to Governor *Gawler*.

No. 77. Lord John Russell to Governor Gawler, 26 Dec. 1840.

Sir, Downing-street, 26 December 1840.

IN consequence of the Reports which have been made to Her Majesty's Government by the Colonization Commissioners for South Australia, respecting the financial state of the province, and respecting the amount of the bills which you have drawn on the Commissioners, in excess of the authority which you had received from them for that purpose, it has become my unwelcome duty to advise Her Majesty to relieve you from the offices of Governor and Her Majesty's Resident Commissioner in that province. The Queen having been pleased to approve that advice, has appointed as your successor Captain Grey, who will proceed to South Australia in the vessel which carries this despatch.

I have, &c.
(signed) *J. Russell.*

— No. 78. —

COPY of a DESPATCH from Captain *Grey* to Lord *John Russell*.

No. 78. Captain Grey to Lord John Russell, 18 Nov. 1840.

My Lord, Brighton, 18 November 1840.

I HAVE taken the liberty of submitting to your Lordship the enclosed Minute, containing a summary of several important subjects, which, from the moment of my assuming the functions of Governor of South Australia, will be pressed upon my notice.

Previously, therefore, to my entering upon the duties of this office, I have thought it right to solicit your Lordship to give such answers to the questions I have ventured to propose, as your Lordship may think necessary for my future guidance.

I have, &c.
(signed) *G. Grey.*

MINUTE.

1. The correspondence of the Governor of South Australia would appear to have hitherto been addressed, not to the Secretary of State, but, with few and insignificant exceptions, to the South Australian Commissioners. Is it the intention of Her Majesty's Government that this practice should be continued by Captain Grey? or is it designed that he should address all his correspondence to the Secretary of State? or is there any precise line which can be drawn for his observance, distinguishing the topics on which he is to address himself to the one authority from the topics on which he is to address himself to the other?

2. In the actual state of the finances of South Australia, it is indispensable to the successful administration of the local government that Her Majesty's Government should prescribe with all possible exactness the course to be pursued in the different departments engaged in the receipt and issue of the public money, and that the most precise regulations should be established regarding the custody, the accounting for, and auditing of the accounts of the public money; especially is it requisite that some system, sanctioned by the highest authority on such subjects in this kingdom, should be prescribed with regard to the purchase, custody, issue, and periodical surveys of stores consumed in the different departments. May Captain Grey expect to be provided with rules of this nature; and, to secure his full understanding of the object of any such rules, could he be brought into personal communication respecting them with the Commissioners for Auditing the Public Accounts?

3. The subject of most urgent importance, in connexion with South Australia, is the means of providing for the public debt; this remark is not made so much in reference to the principal of the debt as with reference to the interest; the first is a topic on which, as Captain Grey presumes, nothing can be settled, even provisionally, until the meeting of Parliament, and the close of the proposed Parliamentary inquiry; but long before the results of this inquiry can be known in the colony, it may become inevitable that the local government should act in some way or other on the subject of the accumulating interest. In the absence of any complete accounts, the extent of this charge can be stated only with a general approach to accuracy.

But if the entire revenue from taxes and duties of every kind, be taken at 20,000 *l.* per annum, leaving not more than 3,000 *l.* per annum of net income to meet the constantly accruing and increasing expenditure, is it designed that provision should be made for the payment of the whole or any part of this annual charge from the local revenue?

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Captain Grey to Lord John Russell, 18 Nov. 1840.

If so, whence are to be derived the means of defraying the unavoidable expenses of the local government? If not, what language is to be held to the public creditor who may demand from that government the payment of their annual claims. Whatever course be taken, the increase of the debt in one way or other would seem a necessary result; either money must be borrowed in aid of the expenditure, or an arrear of interest must be added to the principal; on which of these two methods is it designed that Captain Grey shall proceed during the interval which must elapse before the decision of Parliament can be known?

4. The subject of special surveys is one of peculiar importance. Disclaiming any pretension to entire accuracy, Captain Grey would state this question as follows:

By a 'special survey' is meant, that when any man or body of men purchase at once 4,000 acres, great and extraordinary advantages are connected with the purchase. The parties select a tract of 15,000 acres, in any locality which they prefer; all those acres are surveyed by the Government. From the lands so surveyed the purchasers select the 4,000 acres where they think best, culling the choicest lands and the best situations; and at any time within the first fortnight after the survey has been completed by the Government, they are at liberty to select in the same manner any further quantity of land in addition to the 4,000 acres, paying 1 *l.* for every acre so selected. This is often done in such a manner as to render the 11,000 acres, for which they do not pay, inaccessible to the future purchasers of them, and comparatively worthless to the Government; virtually, therefore, the purchaser obtains the occupation of 11,000 acres more than he has paid for. This is an extreme, but a very possible supposition.

The Government at present pay for this special survey not less than 2,500 *l.*, to which is to be added other charges for contingent expenses. Thus the Government, in reality, give a purchaser 4,000 selected acres from a chosen tract of 15,000 acres, with the occupation of the remaining 11,000, or of a large part of them, in consideration of 4,000 *l.*, nearly the whole of which is laid out in effecting the survey.

The ruinous improvidence of this system cannot, however, be understood fully without observing further that the money has been actually paid for about 40 of these special surveys, and has been expended. Thus a new debt or obligation has been contracted, for of the 40 contracts of this kind, between 20 and 25 yet remain to be fulfilled. If the numbers be taken at 20, the local government will be bound to effect surveys of 20 times 15,000 acres; that is, of 300,000 acres. To accomplish this an expense must be incurred of 80,000 *l.*, if it be supposed that the whole 4,000 *l.* is expended on the special survey; or, abating to the utmost possible extent from that supposition, there is here a liability to be met of from 52,000 *l.* to 53,000 *l.* at least.

Upon this state of facts Captain Grey would found the following questions. First, Are these special surveys a valid and legal execution of the terms of the South Australian Act of Parliament, and are they to be respected as engagements, which, however improvident, are yet binding, in point of law, on the Government? Is any distinction to be made, in this respect, between those surveys which have been effected for the benefit of any persons connected with the Australian government, either in this country or in the colony, and surveys effected for the benefit of other persons? Secondly, Is Captain Grey to proceed in fulfilling past engagements of this kind; if so, by what means is he to defray the expense of the required surveys? if not, in what terms is he to answer the demands of those whose money has been paid on the express promise that this should be done? Thirdly, In cases where such special surveys have included districts of which the possession by the Government would seem indispensable to the general good of society (and there are many such cases), will Captain Grey have authority in any way to reclaim for the public at large the whole or any part of the districts so alienated? Fourthly, Is the system of special surveys to be prohibited and discontinued for the future? Fifthly, In reference to such surveys, contracted for but not yet executed, is the local government free to insist upon the lands being taken in such places as will not be required for the general good of society, and in blocks of any exact and definite form. Hitherto the blocks would appear to have been taken with no other consideration but the interest of the purchasers; as, for example, in a line along a river, with a liberty of embracing both banks of the river, or 12 miles in length by two in depth. Supposing the system to be continued in regard to the existing contracts, how far is Captain Grey at liberty to resist such a construction and execution of such contracts as this, and is he, as at present, to allow a block of 15,000 acres, which has once been selected, to be exchanged for another?

5. There are various public buildings in progress in the colony; they have been undertaken on the supposition that the past rate of expenditure would be continued. What is to be done regarding them? If left incomplete, the past expenditure will be thrown away; if completed, a new and very burthensome expenditure must be incurred. Will Captain Grey be at liberty to sell any of these buildings which he may find not to be indispensable? Will he be at liberty to continue any of them with a view to prevent dilapidation, even though the building itself might not be absolutely required for the public service?

6. The house erected for the residence of the governor is on so large a scale, that Captain Grey could not, without extreme imprudence, inhabit it on the official income assigned to him.

No. 78.
Captain Grey to Lord John Russell, 18 Nov. 1840.

him. The inevitable charge of furnishing and providing a proper establishment for the occupation of such a building would leave him with scarcely any residue for his personal and domestic expenses. Is Captain Grey at liberty to devote the government-house to any other public objects to which it may be adapted; and may he, in exchange for it, hire at the public expense a much smaller and more moderate residence for his own occupation as governor? Captain Grey is convinced that Lord John Russell will consider this question as one in which not merely the interest of the governor himself, but those of the colony at large are involved.

7. It appears that the salaries of various public officers have been increased without the sanction of the Government in this country. Captain Grey would be glad to be informed what course it is intended to pursue with reference to this subject.

8. It appears that various public offices have been created without the sanction of the Government in this country. Is Captain Grey to abolish these offices, or is he to be invested with any discretion on the subject?

9. With a view of relieving the public revenue, and of promoting public spirit and good government, Captain Grey would wish to devolve, as far as possible, on the inhabitants of towns the management and the charge of their local concerns; on the inhabitants of rural districts the formation and management of roads, &c.; and on private associations the erection and maintenance of wharves and other public works of that kind. Is he at liberty, with this view, to create corporate bodies, whether municipal or otherwise, and to invest such bodies with the power of imposing rates and assessments, and with the power of levying wharfage and other dues?

10. In the administration of the government of South Australia, no question is more replete with difficulty than that of the police establishment. The vicinity of the convict colonies renders the maintenance of a large police inevitable; and such is the value of labour, and the high price of provisions, that the expense is exceedingly great, not less, probably, than 5*s.* 6*d.* per diem for each man. In New South Wales this duty is performed by the military quartered there, each man receiving a small remuneration in addition to his regimental pay for these civil duties. The difference, both in economy and efficiency, is greatly in favour of the plan of employing the soldiers. Would it be possible to afford to South Australia this relief by sending a detachment of troops thither?

11. Captain Grey understands it to be the wish of the Government, as it is entirely in accordance with his own wishes, that he should live at South Australia with the utmost plainness and frugality. He is strongly impressed with the importance of the governor affording such an example to society at large. It will be his endeavour to accomplish this; but with every practicable effort it may prove impossible to confine the unavoidable expenditure of the most moderate establishment of a governor within the limits now assigned to that office. Should this anticipation be verified, and should Captain Grey be compelled to apply for an increase of his salary, to enable him to maintain the common decencies of life, —an application which he will certainly not make without necessity,—he trusts that the intimation now given that such a necessity may possibly arise, will be received as of weight hereafter, if he should be constrained to apply for such an increase of his salary, retrospectively as well as prospectively.

— No. 79. —

Copy of a LETTER from *J. Stephen*, Esq. to *C. E. Trevelyan*, Esq.

No. 79.
J. Stephen, Esq. to C. E. Trevelyan, Esq.
27 Nov. 1840.

Sir, Downing-street, 27 November 1840.

By the direction of Lord John Russell, I transmit to you, for the information of the Lords Commissioners of the Treasury, the copy of a letter which his Lordship has received from Captain Grey, the new Governor of South Australia, with an extract from the enclosure to that letter, which extract comprises seven paragraphs, those distinguished by the numbers 2, 3, 5, 6, 7, 8, and 11.

Lord John Russell directs me to request that you would move the Lords Commissioners to instruct the Commissioners for Auditing the Public Accounts to prepare, for their Lordships' consideration, the financial instructions solicited by Captain Grey, in the paragraph numbered 2, and to appoint a time at which Captain Grey could enter into personal communication with them on the subject.

Lord John Russell would further wish to be informed what are the instructions which the Lords Commissioners of the Treasury would wish to have addressed to Captain Grey, in reference to the paragraph numbered 3 in the enclosure, on the subject of the application of the local revenue during the interval which must elapse before that officer can be apprised of the results of the proposed Parliamentary inquiry.

No. 79.
J. Stephen, Esq. to C. E. Trevelyan, Esq.
27 Nov. 1840.

With regard to the questions proposed by Captain Grey in the paragraphs numbered 5 and 6, Lord John Russell proposes, with the concurrence of the Lords of the Treasury, to authorize Captain Grey to sell or to let any public buildings which he may find not to be indispensable for the public service, and to devote to any other public objects to which it may be better adapted the house built for the residence of the governor, and to procure for himself, as he proposes, a much smaller and more moderate residence for his own occupation. It may be right to apprise the Lords of the Treasury that Captain Grey's description of the government-house is made by that gentleman, not on report, but as the result of his own personal observation during a residence in South Australia for some weeks, at about the commencement of the present year.

Lord John Russell would refer for the decision of the Lords Commissioners of the Treasury the questions proposed by Captain Grey in the paragraphs numbered 7 and 8, regarding the unauthorized augmentation of salaries and of public offices in the colony. So few and infrequent have been the reports made by the governors of the colony to this office, on the subject of the public expenditure, that Lord John Russell has no means of explaining to the Lords of the Treasury, either what the augmentations in question are, or by what motives they have been suggested, or by what arguments they are defended. The South Australian Commissioners may, perhaps, have it in their power to throw some further light on this subject.

With the concurrence of the Lords of the Treasury, Lord John Russell proposes, in reference to the paragraph No. 11 in the enclosure, to inform Captain Grey, that no prospect can be held out to him of any increase of his salary; but that if he should hereafter find that the necessity which he anticipates as possible has actually arisen, all due weight will then be given to the intimation which he has now made that such an exigency may, perhaps, arise.

I have, &c.

(signed) *Jas. Stephen.*

— No. 80. —

No. 80.
J. Stephen, Esq. to the South Australian Commissioners,
27 Nov. 1840.

Copy of a LETTER from *J. Stephen*, Esq. to the South Australian Commissioners.

Gentlemen, Downing-street, 27 November 1840.

I am directed by Lord John Russell to transmit to you the copy of a letter which his Lordship has received from Captain Grey, the new governor of South Australia, with a copy of the enclosure to that letter. His Lordship directs me to call your early attention to paragraphs numbered 1 and 4 of that enclosure.

With regard to the questions proposed in paragraph No. 1, as to the manner in which Captain Grey's official correspondence should be conducted, Lord John Russell would wish to receive any suggestions which you may have to offer, before he answers Captain Grey's inquiries.

With regard to the subject of special surveys, noticed in paragraph No. 4, Lord John Russell would wish to be apprised whether the information which you possess corresponds with that which Captain Grey has obtained, and has now reported; and his Lordship would especially wish to know how far Captain Grey is rightly informed that some such surveys have been effected for the benefit of persons connected with the South Australian government either in this country or in the colony.

I have, &c.

(signed) *J. Stephen.*

— No. 81. —

No. 81.
C. E. Trevelyan, Esq. to J. Stephen, Esq.
5 Dec. 1840.

Copy of a LETTER from *C. E. Trevelyan*, Esq. to *J. Stephen*, Esq.

Sir, Treasury Chambers, 5 December 1840.

Having laid before the Lords Commissioners of Her Majesty's Treasury your letter, dated 27th ultimo, enclosing copy of one from Captain Grey, the new governor of South Australia, with its accompanying statement, relating to his instructions as to the mode of conducting the accounts of that colony, I am commanded to request that you will state to Lord John Russell, that my Lords have desired the Commissioners of Audit to reconsider and revise the several sets of instructions to the governor and resident commissioner, the treasurer, the auditor-general, and the colonial storekeeper in South Australia, which had been approved by the letters addressed by direction of this Board to you on the 14th June and 21st September 1838, and were forwarded, as my Lords presume, by the Colonization Commissioners for the guidance of those functionaries in matters relating to the financial arrangements and accounts of the settlement.

But

No. 81.
C. E. Trevelyan, Esq. to J. Stephen, Esq.
5 Dec. 1840.

But you will at the same time observe to Lord John Russell, that the instructions in question appear to my Lords to have been sufficiently specific, if properly attended to and complied with, to have prevented most of the irregular proceedings on the part of the colonial officers in South Australia which have recently been brought under the notice of Her Majesty's Government, and that these irregularities are rather to be attributed to disregard of the instructions which had been given, than to any absence of sufficient regulations for the guidance either of the governor or of the other parties concerned.

With respect to the further questions submitted by Captain Grey, you will, in the first place, state to Lord J. Russell, that, as the colonial debt, and the means of liquidating or securing both the principal and interest of it, will necessarily form a prominent object of the contemplated Parliamentary inquiry, my Lords cannot anticipate any circumstances which should make it either necessary or advisable that the local government should adopt any proceedings with respect to that debt until the determination of Parliament is made known. In the meantime, however, although the interest is chargeable, under the existing law, on the colonial revenue, my Lords apprehend that this revenue must, in the first instance, be applied to defray the unavoidable current expenses of the government, for which no other provision is made; but it will be the bounden duty of the governor to use every endeavour, by economizing that revenue in every practicable manner, as well as by relieving it of all partial municipal charges, which should be provided for by specific rates, to obtain a surplus beyond the abovementioned expenses, which may be available for the interest on the debt.

My Lords see no reason to object to the sale or letting of any of the public buildings adverted to by Captain Grey, which are not required for the real exigencies of the public service. Care should, however, be taken not to alienate irreclaimably such buildings as the probable increase of settlers may be likely shortly to render necessary for the public service; but, at the same time, all further outlay on the buildings which may have been undertaken should be suspended, except in so far as may be necessary to prevent actual dilapidation. My Lords do not object to the proposed appropriation of the house that has been erected for the governor to any other public purpose for which it may be adapted, but their assent for incurring any expense for the hire of another house for the governor's residence, can only be contingent upon the impracticability of finding suitable quarters in such of the public buildings as are to be retained, or cannot be disposed of.

As regards the additions to public salaries, or the creation of new offices, without due sanction of the superior authority in this country, my Lords apprehend that the most advisable regulation is that by which they conceive the colonial service to be usually governed, viz. that the authorized and assigned salaries of public officers should not be increased, either directly or indirectly, without the previous sanction of the Home Government; and that, should it become necessary on emergency to make arrangements for the performance of some public duty not previously provided for, and which cannot be devolved on any person already in the public employ, or should additional subordinate assistance be required in any established department, the appointments should be in every respect temporary, and upon the most economical scale that may be consistent with the object in view. You will therefore suggest to Lord J. Russell that Captain Grey should be instructed to revise the appointments that may have been made in South Australia to which the 7th and 8th heads of his inquiry refer with reference to this rule, abolishing all those new offices that can be dispensed with, and suspending the issue of any additional or increased rates of salary or allowance which have been granted in the colony without due sanction from this country. You will also, in conclusion, further state to Lord John Russell, that my Lords concur in opinion with his Lordship that no prospect of increase to the rate of salary at present assigned for the governor of South Australia can be held out to Captain Grey.

I am, &c.

(signed) *C. E. Trevelyan.*

— No. 82. —

No. 82.
R. Torrens, Esq. and the Hon. E. E. Villiers to J. Stephen, Esq. 11 Dec. 1840.

COPY of a LETTER from *R. Torrens*, Esq. and the Hon. *E. E. Villiers*, to *J. Stephen*, Esq.

South Australian Colonization Office,
Sir, 9, Park-street, Westminster, 11 December 1840.

IN reference to your letter of the 27th ultimo, enclosing a copy of a letter from Captain Grey, the new Governor of South Australia, with a minute embodying certain queries, to which he is desirous of receiving answers before he assumes his duties, and drawing our attention more especially to the first and fourth of those inquiries, we do ourselves the honour to enclose, for Lord John Russell's information, a memorandum containing our views upon the subject of those two questions, together with a few observations that occurred to us upon some of the other heads of Captain Grey's Minute.

We have, &c.
(signed) *Robt. Torrens.*
Edward E. Villiers.

MEMORANDUM on Captain *Grey*'s Minute.

IN the following Memorandum it is proposed to begin with noticing the first and fourth heads of this Minute, to which the attention of the Commissioners has been more particularly called, and then to subjoin a few remarks on some other paragraphs.

1. Before the office of Governor was united with that of Resident Commissioner, the Governor held no official communication with the Colonization Commissioners, and directed his correspondence exclusively to the Secretary of State; subsequently, when the Governor received the appointment of Resident Commissioner, and thus became bound to act under the orders of the Board, the Commissioners delegated to him their authority in the colony, and he then addressed his correspondence to the Commissioners on all subjects connected with the exercise of those powers which, by the South Australian Act, are placed under the control of the Colonization Commission; but he never in his character of Governor has held any official communication with the Commissioners. The matters over which the authority of the Commissioners extends are sufficiently defined. By the Act for erecting South Australia into a British province, the surveys, the sale of public lands, the letting of pasturages, and the application of the purchase-money and of the rent for the same, are confided to the Colonization Commissioners; and by the provisions of the same Act, as interpreted by the law officers of the Crown, the application of the revenue fund, as well as of the land fund, vests in the Commissioners. Upon the recommendation, moreover, of the Commissioners, the financial administration, which in other colonies was given to the Governor as Governor, was, in the case of South Australia, given to that officer as Resident Commissioner, in order that he might receive instructions upon the subject from the Commissioners. In reply, therefore, to the first head of the Minute, it may be stated, that the Act authorizes the Commissioners to delegate their powers to any person or persons resident in the colony, and the party so appointed has consequently to address his correspondence to them on subjects relating to the disposal of public land and to the disbursements of the land and revenue funds. The correspondence of the Governor on subjects pertaining to the exercise of his executive and legislative functions is addressed in South Australia, as in all other colonies, to the Secretary of State for the Colonial Department.

Such is the practice under the existing constitution of the colony, and this practice must, it is presumed, continue so long as that constitution remains unaltered. No doubt a change is probable in this respect, and the present Commissioners have more than once had occasion to submit that several of their functions are of an anomalous nature; but the alterations to be made must depend on the result of the proposed Parliamentary inquiry, and it is impossible to anticipate the instructions that may then be required on the head of correspondence. The proper directions on that subject can only be issued when the arrangements, on which they are contingent, shall be made. It may be observed, however, that in the meanwhile it will probably be expedient to transmit the despatches addressed to this commission more frequently than heretofore to the Colonial Office.

4. With respect to the system of special surveys, it appears to be necessary, before entering upon the several questions which have been raised regarding it, that there should be presented a distinct statement of what that system, as laid down in the instructions of the late Commissioners, actually is.

Under the rules and regulations for the disposal of public land in South Australia, any person or body of persons who may pay in advance, either in this country or in the colony, the price of 4,000 acres, may call upon the Resident Commissioner to direct the survey of a compact district of land, of 16,000 acres, in any part of the province which the purchaser or purchasers may select. This compact district is to be divided into 200 sections of 80 acres each, and out of these 200 sections the purchaser is at liberty to select 50 sections, or 4,000 acres, but in such manner as not to acquire an extent of water frontage exceeding two miles. The purchaser has also, for the space of 14 days after the survey is completed, the right of pre-emption over the whole of the remainder of the compact district, from which he may take any number of 80-acre sections at the uniform price fixed for public land. And should the purchasers of a special survey be desirous of establishing a secondary

a secondary town therein, the site of such town is to be mapped and marked out by the surveyor-general at the public expense, in such manner as may be agreed upon by the purchasers and the Resident Commissioner; the spaces required for the streets and other public purposes not being included as part of the 4,000 acres, and reserves being made securing to the public in all cases free communication with the coasts, rivers, lakes and chains of pools. Such is the system of special surveys as established by the last regulations of the Commissioners, dated 25th October 1839; and the manner in which the Commissioners intended it should be carried out in the colony will be best exemplified by a reference to a late peculiar land order, entitling the holder to a special survey. A copy of this is accordingly enclosed herewith. There is also added a copy of the printed regulations of the Commissioners for the disposal of land.

It is right, however, to mention that though the regulations under which almost, if not quite, all of these special surveys have been taken, required that all surveyed lands should be divided into sections of 80 acres, and that the special survey should be taken from a compact district, yet they did not provide any restriction of water frontage.

It will be observed, then, that the objections urged in the minute are applicable not so much to the system itself, as laid down in the existing regulations of the Commissioners, as in a limited degree to the early regulations, and more especially to the manner in which, in violation of these regulations, the system, as is alleged, has been carried into practical effect. It is stated in the minute that when the Government gives a purchaser 4,000 acres, from a chosen tract of 15,000 acres, in consideration of 4,000 *l.*, nearly the whole of the purchase-money is laid out in effecting the survey. Now this estimate may be correct as regards the expensive mode of survey practised in the colony, but it is altogether incorrect as regards the plan of a running survey prescribed by the Commissioners. This plan, which was arranged and decided on after repeated consultations with the officers charged with the ordnance survey in this country, is detailed and exemplified by a diagram in the Third Annual Report. A new surveyor-general was employed to carry the plan into operation, and that officer agreed to an estimate made by Captain Stotherd, R. E., to the effect that not less than 400,000 acres could be surveyed in 12 months, with a staff consisting of 7 surveyors, 2 computers, 2 draftsmen and 30 labourers.

It is next objected to the system of special surveys, that it enables the purchaser of 4,000 acres so to select his land as to secure the possession of the whole district of 15,000 acres from which his choice is made, by rendering the 11,000 acres which remain inaccessible to the future purchasers of them. This would be impracticable were the regulations adhered to. Under these regulations, spaces for roads are everywhere reserved; a road must adjoin every section of 80 acres, and free access is secured to rivers, lakes, and chains of pools; and it would therefore be impracticable, were these regulations adhered to, for the purchaser of a special survey to establish a monopoly over the district from which his 4,000 acres might be selected; because the purchaser of a single 80-acre section in that district would not only have a right of road, and of access to the nearest waters, but would possess the selfsame facilities as might be possessed by the larger purchaser, of driving his flocks without authority over the unappropriated portions of the district upon which his land abutted.

The state of the facts, as connected with the system of special surveys, being thus explained, there remain for consideration the specific questions relative to that system which are contained in the minute referred to the commissioners.

It is asked, "Are these special surveys a valid and legal execution of the terms of the South Australian Act of Parliament, and are they to be respected as engagements which, however improvident, are yet binding in point of law upon the Government?"

The answer to this question must be, that the South Australian Act empowers the Commissioners to make orders and regulations for the surveying and sale of the public lands within the province, and that persons purchasing under the orders and regulations made pursuant to this Parliamentary authority acquire a Parliamentary title to their lands, which cannot be legally disturbed. With respect to those cases in which the Governor and Resident Commissioner may have alienated the public lands in a manner not conformable to the regulations prescribed by the Commissioners, it possibly may be right, though the Commissioners are not prepared to express their opinion upon a legal question, to deal with such cases according to the rule which is applied to analogous cases (if any such exist), in which the governors of other colonies, in disposing of public land, do not conform to the instructions of the Secretary of State for the Colonial Department.

It is further asked, "In cases in which special surveys have included districts of which the possession by the Government would seem indispensable to the general good of society (and there are many such cases), will Captain Grey have authority in any way to reclaim, for the public at large, the whole or any part of the district so alienated?"

On this question, it appears obvious that the right to property, when once acquired, must be held as sacred in South Australia as in this country.

Should this be a correct view of the case, it would seem to follow, as a necessary conclusion, that when land which has once been alienated is required for the use of the public, the resumption cannot be effected, except by an Act of the Colonial Legislature authorizing the purchase, at a price awarded by a jury.

It is next asked, in reference to surveys contracted for, but not executed, "Is the local government free to insist upon the lands being taken in such places as will not be required for the general good of society, and in blocks of any exact and definite form?"

 This

No. 82.
R. Torrens, Esq. and the Hon. E. E. Villiers, to J. Stephen, Esq.
11 Dec. 1840.

The first branch of this question is answered by the first South Australian Act. The 6th section of that Act provides, that all the lands of the province shall be open to purchase by British subjects, with the exception only of portions which may be reserved for roads and footpaths. No reserves other than those specified in the Act can be legally made. The Governor, however, may purchase, at the fixed uniform price, lands required for public use. This was the course pursued with respect to the park land round Adelaide, and which it is conceived must be pursued in all similar cases, so long as the Act remains unrepealed.

With respect to the second branch of the question, the regulation states, that the purchaser of 4,000 acres may call upon the Resident Commissioner to cause the survey of a compact district of 16,000 acres; but nothing contained in the land regulations goes to imply that the Resident Commissioner is to allow the purchaser to determine what the form of the district shall be. It is the duty of the surveyor-general under the Resident Commissioner to determine this. A compact district, as the Commissioners understand the term, is an area the boundaries of which are as nearly equidistant from a common centre as the natural features of the country will admit. It is competent, therefore, to the representative of the Commissioners in the colony to determine in each particular locality the precise form of the compact district from which the 50 sections of 80 acres each are to be selected.

Question.—" Is Captain Grey to proceed in fulfilling past engagements of this kind" [as regards special surveys]; " if so, by what means is he to defray the expense of the required surveys? If not, in what terms is he to answer the demands of those whose money has been paid on the express promise that this should be done? "

It is essential that the representative of the Commissioners should proceed with all practicable expedition to fulfil all engagements duly made under their authority. It will probably be found necessary to discharge the whole of the supernumerary surveyors (except, perhaps, Capt. Finniss) engaged by Colonel Gawler, and to proceed with the staff sent out from this country under Lieutenant Frome, and, on the plan of a running survey, to measure off the districts in which special surveys may have been contracted for, but not completed. The pay and allowances of Lieutenant Frome, and the detachment of sappers and miners under his command, must, under any circumstances, be supplied either from the colonial revenue or by Parliament. The purchasers of unexecuted special surveys should be told that the conditions under which their money was paid will be fulfilled with all practicable expedition.

Question.—" Hitherto the blocks would appear to have been taken with no other consideration but the interest of the purchasers; as, for example, in a line along a river, with the liberty of embracing both banks of the river, or twelve miles in length by two in depth. Supposing the system to be continued in regard to the existing contracts, how far is Captain Grey at liberty to resist such a construction and execution of such contracts as this, and is he at liberty to allow a block of 15,000 acres, which has once been selected, to be exchanged for another? "

There have been two sets of regulations, as above alluded to, on special surveys, and each order for a survey has contained conditions set forth upon the face of it. Good faith requires that no contract executed in pursuance of the regulations in force when the purchase was made, and of the conditions in the land order, should be violated; but on the other hand contracts still incomplete should not, it is apprehended, be executed in contravention of any conditions stipulated by the Commissioners for the security of the public. The representative of the Commissioners may exercise his discretion with regard to allowing a district once selected for a special survey to be exchanged for another, provided the exchange should occasion no additional expense to the survey department.

Question.—" Is any distinction to be made in this respect" [that of considering special surveys as engagements binding in point of law] " between those surveys which have been effected for the benefit of any persons connected with the Australian Government, either in this country or in the colony, and surveys effected for the benefit of other persons? "

It does not appear by the records of the commission that any discouragement was ever held out to the purchase of land by public officers, but rather on the contrary. And they consequently became purchasers of land orders at the preliminary sales, which land orders gave to the holders priority of selection in the surveyed districts open for settlement, over all subsequent purchasers. When Colonel Gawler reached the colony, the surveys were so little advanced that the holders of preliminary land orders had not been able to exercise the right of priority of choice to which they were entitled, and until their claims should be satisfied the numerous settlers arriving in the colony, many of whom had purchased ordinary land orders in this country, could not get possession of their locations even in the districts in which the surveys had been partially effected. Capitalists who came to settle were about to abandon the province, and purchasers who could not obtain possession of their land were about to proceed against the Commissioners for non-fulfilment of their contracts, when Colonel Gawler surmounted the difficulty which threatened the ruin of the colony, by allowing the holders of land orders, whether preliminary or ordinary, to club together for special surveys. The first plan was, to receive the price of a special survey one half in money and one half in land orders. But the Commissioners, desirous of terminating as speedily as possible the inconvenience and delay occasioned to the inflowing settlers by the prior claims of the holders of preliminary land orders, instructed Colonel Gawler to receive land orders without limit or distinction in the purchase of special surveys.

Under the circumstances now detailed, many persons connected with the government of South Australia have not only become purchasers of land in the ordinary way, but have, as there

there is reason to believe, taken part in some of the special surveys, by clubbing as well with their land orders as with their money.

These facts, a knowledge of which seems necessary to a full understanding of the case, being referred to, there remains for consideration the question raised in the Minute, whether any distinction should be made between the validity of those contracts for special surveys in which persons connected with the Government have taken part, and those other contracts for special surveys in which persons connected with the Government have not participated.

It has been the general practice in the establishment of colonies to unite the governing bodies with the provinces placed under their control, by giving them a proprietary interest therein.

On the establishment of the early British settlements in North America, the persons connected with their government, whether in this country or in the colonies themselves, appear to have been made the sole proprietors of the soil. In the more recent instance of Western Australia, the Governor obtained a large grant of land, and, as we understand, even claims a further right to an indefinite extension of territory at the rate of 1 *s.* 6 *d.* per acre, for whatever capital he might introduce into the colony. In the still more recent case in which the Secretary of State for the Colonies offered a charter of Government, on the model of the charters granted in the 16th and 17th centuries, to the New Zealand Association, for the government and settlement of the projected colony in those islands, that offer was accompanied by the express and indispensable condition, that the directors of the governing company should take a proprietary interest in its proceedings. With this condition the directors refused compliance, and in consequence of that refusal the offer of a governing charter was withdrawn by the Colonial Department. Such having been the practice of the Home Government with respect to giving the governing authorities of new settlements a proprietary interest, through grant or purchase, in the lands of the provinces placed under their control, the Commissioners are unable to discover, upon a general view of the question, any grounds for dealing with the contracts for special surveys in which persons connected with the Government of South Australia may have taken part, upon principles different from those upon which other similar contracts may be dealt with.

In saying this the Commissioners of course assume that the special surveys in which persons connected with the Government may have taken part, have been conducted in a fair, open, and impartial manner, and that no official authority has been used to obtain, for persons connected with the Government, any benefit or advantage not common to all other persons participating in special surveys. The question, however, under consideration, viz. whether any distinction as regards their validity is to be made between the special surveys which have been undertaken for the benefit of persons connected with the Government, and those which have been undertaken for the benefit of other persons, may be meant to imply that the instructions of the Commissioners for the regulation of special surveys have been improperly departed from, for the purpose of benefiting persons connected with the Government. If any grounds are known to exist for implying a charge of this nature, the course which it will be the duty of the Governor to pursue is to collect the requisite evidence for substantiating the facts, and to report the same to the Secretary of State for the Colonial Department.

Question.—" Is the system of special surveys to be prohibited and discontinued for the future?"

By the system of special surveys the Commissioners, of course, understand the system as laid down by their existing regulations, and not as it existed previously to those regulations, and as it is alleged to have been administered in the colony.

In endeavouring, then, to form a correct opinion as to the expediency of abolishing this system, it will be necessary to consider how far it is calculated to give speculators in land the power of acquiring an undue extent of water frontage. In South Australia the land is measured off in sections of an eighth of a square mile each, the sections being parallelograms, half a mile in length, and a quarter of a mile in breadth, and consequently the least extent of water frontage which 50 sections on the banks of a river can occupy is 12 ½ miles. Under the ordinary surveys, when a district containing 50 sections, abutting on a lake or stream, is declared open for selection, the first person, or body of persons, who may tender for the whole of these sections becomes the purchaser, and thus secures 12 ½ miles of water frontage. Under the special survey system, as that system is laid down in the existing regulations, any person or body of persons, who may anticipate the progress of the ordinary surveys, and tender for 4,000 acres in a district adjoining a lake or river, must select the sections in such a way that not more than eight out of the 50 shall abut upon the water. Purchasers of 4,000 acres, therefore, under the ordinary system, may acquire an extent of water frontage more than six times greater than that which can be acquired by the purchaser of 4,000 acres under the special system.

In considering also the question of special surveys, it is most important to ascertain whether their tendency is to increase or to diminish the power of acquiring the occupancy of a greater quantity of land than that actually paid for. In South Australia the lands are so measured off, that to every section of 80 acres there is a right of road; and the regulations prescribe that the public shall have a broad road or pathway upon the banks of every river, lake, or chain of pools. Now, if the district of 16,000 acres which may be chosen for a special survey, is measured off in the usual way, and if the regulations respecting access to its waters be observed, it is obviously impossible that the purchaser of the first 4,000 acres should so select his sections as to secure to himself the occupancy of the remainder of the district. For any person purchasing an 80-acre section in the district, and having a right of

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way to the nearest river, lake, or chain of pools, would have the same facility for occupying the unalienated land of the district as that possessed by the purchaser of the special survey.

But it is unnecessary to pursue this subject further. Many more considerations might be mentioned to show that the theory of the system of special surveys, could it be efficiently enforced, is not open to the unmixed condemnation which has been pronounced upon it; and also that upon the head of expense, the loss it occasions would not appear, from official reports, to be so great, nor so certain, as has been assumed; but we can readily believe that the system might always be liable to abuse in practice. For this reason the Commissioners did not recommend that it should be adopted in Port Phillip, but suggested only a very qualified measure of the kind; and the opinion of the Commissioners is, that the best course will be to assimilate the rules on this point, in South Australia, to those recently sanctioned for the Port Phillip district.

It only now remains to add a few remarks that have occurred to the Commissioners on other paragraphs besides the first and fourth.

2. The second relates to the necessity of Her Majesty's Government prescribing, with all possible exactness, the course to be pursued with regard to the receipt and issue of the public money, and of establishing, under the highest authority in this kingdom, the most precise regulations regarding the custody, and the accounting for and auditing of the accounts of the public monies, as well as with regard to the purchase, custody, issue, and periodical survey of the stores consumed in the several departments. On this subject it is to be observed, that financial regulations have already been established, under the sanction of the highest authority. The third annual report of the late Commissioners contains exact and definite financial instructions to the Resident Commissioner, to the colonial treasurer, to the colonial storekeeper, and to the colonial auditors, regarding the public monies, the public stores, and the public accounts. These instructions were framed by the Commissioners of Audit, and were approved and sanctioned by the Lords of the Treasury.

Should the financial instructions already transmitted to the colony, under the authority just specified, appear, in any particular, to be ambiguous or imperfect, or to require alteration under the altered circumstances which have since arisen, it cannot, it is apprehended, be open to any objection that the officer who is to fill the situation of Governor should be authorized to communicate on the subject with the Commissioners of Audit, or with any of the financial departments of Her Majesty's Government.

3. It is observed in the third head of the Minute referred to the Commissioners, that though the means of providing for the principal of the public debt of the colony is a topic upon which nothing can be even provisionally settled until after the meeting of Parliament, and the close of the proposed Parliamentary inquiry, yet that long before the result of that inquiry can be known in the colony, it may become inevitable that the local government should act on the subject of the accumulating interest. In reply to this observation, it is to be remarked that the interest of the debt is paid in this country by the Colonization Commissioners; that the temporary advances which the Commissioners hope shortly to receive in anticipation of the proposed loan, will enable them to pay the interest falling due on the colonial revenue bonds in January next, and that it is to be expected that before the next half year's interest upon the bonds shall have become due, Parliament will have decided the several important questions connected with the finances of South Australia.

Under these circumstances it may be considered as improbable that the local government will be called upon until after the decision of the Parliamentary inquiry shall be known in the colony, to act in any way upon the subject of the accumulating interest in consequence of the public creditors demanding from that government the payment of their annual claims. There remains, however, one question upon which it is indispensably necessary that an immediate decision should be taken. The question alluded to, as stated in the Minute, is, "whence are to be derived the means of defraying the unavoidable expenses of the local government?"

It appears from the latest accounts which have been received from the colony, that the revenues accruing from duties and taxes were yielding during the quarter ended 31st March last, at the rate of nearly 30,000 *l.* per annum, the exact amount for the quarter being 7,371 *l.* 5*s.* 4*d.* It is not to be expected that this amount of revenue can continue to be realized during the revulsion and stagnation consequent upon the cessation of the colonial extravagant expenditure and the suspension of immigration. At the same time it is neither easy to calculate the amount of the falling off, nor the period for which it will last. All that can at the present moment be said upon the subject is, that, while on the one hand there are the unfavourable circumstances above stated, on the other hand a considerable amount of wealth and fixed capital exist in the colony. In the accounts of the colonial newspapers, it is stated that there are upwards of 150,000 sheep, and that additional flocks were on their road from New South Wales; and cultivation is also understood to be extending itself over the most fertile districts of the colony.

The interest upon the loans contracted by the Colonization Commissioners may be taken in round numbers at 7,000 *l.* per annum, and the interest of the loan of 120,000 *l.* about to be raised under the guarantee of Parliament, calculating it as certainly not exceeding the rate of five per cent., may be estimated at 6,000 *l.* per annum. The whole annual charge for which the colony will be liable on account of the interest of the public debt, would thus appear to approach 13,000 *l.* Deducting the amount of this charge from the colonial revenue, if we could assume that it would remain at the rate of 30,000 *l.*, there would be left more than 17,000 *l.* per annum available for the expenses of the local government.

As

As it has been just stated, however, doubts must be felt as to the existing scale continuing to yield the full sum which has been named as applicable to the local government, and other sources of revenue should, the Commissioners conceive, be opened. One of the earliest measures of the late Board was to require that the then Resident Commissioner, who is represented to have been an able solicitor, should himself prepare, in conjunction with two conveyancers, a registration code, under which the fees upon the transfer of property, while costing to the purchaser less than deeds of conveyance in this country, might become an important source of public revenue. Should a registration Act, founded upon the principle now stated, have not already passed the Council, the Commissioners would recommend that the three colonial Acts which were prepared and printed in this country before the departure of the first Governor should be forthwith proposed to the Council, with such modifications as experience and the actual circumstances which have arisen may suggest. Under the proposed system of registration, the fees paid upon the transfer of property might be expected to yield an important addition to the public revenue.

The Commissioners would further recommend, as another source of additional revenue, the imposition of an uniform rate upon all appropriated land, whether under cultivation or left in an unimproved state. A tax of this nature seems peculiarly equitable in a country like South Australia, in which a considerable portion of land is held by absentee proprietors, who cannot otherwise be made to contribute towards the expenses of the local government, and who leave their land in an uncultivated condition. A land-tax of 3*d.* per acre on the 300,000 appropriated acres would yield an additional revenue of 3,750*l.*

But though the sources of revenue now enumerated should ultimately be found sufficient to defray the expenses of the local government, economically administered, yet it may nevertheless be necessary that the new Governor should be furnished with the means of carrying on the public service during the financial crisis which must already have commenced. Claims, however, arising from outstanding legitimate contracts entered into by his predecessors, must, it is apprehended, be postponed in the same way in which the recent bills drawn by Colonel Gawler have already been dealt with.

6. With respect to the question relating to the Government House, the Commissioners conceive that the best course which they can pursue is to forward, for the inspection of Lord John Russell, the plans giving the elevation and the dimensions of that house, which have been sent from the colony. His Lordship will then have the means of deciding whether it will be desirable that the Governor should retain it as his residence. Should the decision of his Lordship be in the negative, it might, perhaps, be expedient to dispose of the house to the corporation of Adelaide for a court-house or town-hall, should it be suitable for that purpose. It is not impossible that the corporation might offer such a price as would cover the expense of the erection of the house.

2 plans, requested to be returned.

7 & 8. These heads relate to the unauthorized increase of the salaries of certain officers in the colony, and the creation of new offices, without the sanction of the Government in this country. This is a subject upon which the Commissioners are preparing to report immediately to Lord John Russell. In the meantime they forward herewith a table of the different offices which existed in the colony to the end of the past year. The Return has not been sent from the colony in its present form, but it has been completed with as much accuracy as possible, from various documents transmitted from the colony. A distinction is drawn in this Return between the salaries which have been, and those which have not been, sanctioned by the Government of this country, and this distinction will also serve to point out the offices which have been created by the Governor upon his own authority.

(signed) *Robert Torrens.*
Edward E. Villiers.

Land Order for Special Survey.

(No. 213.)

Part 1. In pursuance of the provisions of the Act 4 & 5 Will. 4, c. 95, intituled, "An Act to empower His Majesty to erect South Australia into a British Province or Provinces, and to provide for the Colonization and Government thereof," Sir Montague L. Chapman, of Killna Castle, county Westmeath, Ireland, baronet, hath paid for four thousand (4,000) acres of land, with a right of special survey and selection, as provided in the 9th article of the regulations of the Board of Commissioners for sales in England of colonial lands, which is as follows: "Any one who shall hereafter pay in advance to the proper officer, either in England or in the colony, the price of 4,000 acres (50 sections) of land, or upwards, shall have a right, for every 4,000 acres thus paid for, to call on the Colonial Commissioner to direct the survey and division, as nearly as may be, into sections of 80 acres each, of any compact district within the colony, of an extent not exceeding 16,000 acres, and within 14 days of the publication of such surveys at the Land Office, to select his sections from any part of such district before any other applicant, subject to the following limitation; viz. that in case such compact district of 16,000 acres shall abut upon the sea-coast, or shall include or abut upon any lake, river, or chain of pools, then, in selecting his sections, the purchaser shall be restricted to a water frontage, not exceeding two miles for every 4,000

 acres

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acres purchased, regard being always had to the reservations stipulated for by the 9th article of the instructions to the Resident Commissioner (land including sales and surveys), dated 25th May 1838; *i. e.* 'In all surveys, the surveyor-general must reserve as a public road all land on the coast within not less than 100 feet of high-water mark; he must also reserve a road at least 60 feet wide along each side of every navigable river, and around every lake or sheet of water whose surface is not included in the estimated area of the adjoining section or sections.' If two parties should apply at the same time for the same survey, the decision between them shall be according to rule 5.

"2. The said Sir Montague L. Chapman, his heirs, agent or assigns, will be entitled, on demanding the said special survey, to indicate, within the district selected for such special survey, the site of a town, and to require that such site shall be mapped and marked out by the Commissioner's surveyors, and at the public expense, in such manner as may be mutually agreed upon beteen the Colonial Commissioner and the said Sir Montague L. Chapman, his heirs, agent or assigns; and in estimating the quantity of land which the said Sir Montague L. Chapman, his heirs, agent or assigns, will be entitled to select, the streets, squares, quays, public walks and places for public buildings within the said site shall not be included; provided, however, that such site does not exceed, exclusive of streets, &c. 500 acres in the whole.

"3. The Commissioners will allow interest at the rate of four per cent. per annum on the amount of purchase-money, four thousand pounds, (4,000*l.*) from the date of its payment to that of the demand for a special survey, provided that such period does not exceed 18 months.

"4. Although it will be open to the Resident Commissioner and the said Sir Montague L. Chapman, his heirs, agent or assigns, to agree on one or more reserves for public quays, if the public interest should appear to require it, in addition to those named in the 19th article of the instructions to the surveyor-general, under date 9th March 1836, the Colonization Commissioners will authorize the Resident Commissioner to relax the rule contained in the said 19th article, with a view of enabling private individuals to possess wharf land whenever this can be done without injury or inconvenience to the public.

"5. Now, therefore, upon demand by the said Sir Montague L. Chapman, his heirs, agent or assigns, you are to cause one special survey to be made, and to put the said Sir Montague L. Chapman, his heirs, agent, or assigns into possession of the four thousand (4,000) acres which shall be selected out of such special survey by the said Sir Montague L. Chapman, his heirs, agent or assigns, and to procure a grant thereof to be made to him, his heirs, agent, or assigns, subject to the laws and regulations of the colony.

"6. This land order is issued in triplicate, and upon the presentation of either copy the others will become void."

Given at London, this 24th day of July 1840.

(L.S.) (signed) *T. Fred. Elliot,*
Edward E. Villiers,
Colonization Commissioners for South Australia.

(signed) *S. Walcott,* Secretary.

Entered.

(signed) *James Chant.*

To the Resident Commissioner of Public Lands of the Colony of South Australia.

FORM to be used in the appointment of an Agent for the Demand of a Special Survey, and for the Selection of the Land.

I, appoint of my agent to demand the special survey, and to select and take possession of, for me, the land referred to in the within land-order, and request the grant thereof, when made out, may be delivered to him on my behalf.

(signed)

THE CIVIL ESTABLISHMENT IN SOUTH AUSTRALIA.

OFFICE.	SALARY and CHARGES authorized.	SALARY and CHARGES actually paid.	Revenue.	Emigration.	REMARKS.
	£.	£. s. d.			
Governor and Resident Commissioner	1,000	1,000 – –	R.		
His Excellency's Office:					
Private Secretary and Clerk of Council	200	200 – –	–		
First Clerk	– –	180 – –	–		
Second Clerk	– –	100 – –	–		
Colonial Secretary's Office:					
Colonial Secretary	400	400 – –	–		
Clerk	60	150 – –	–		
Colonial Treasury:					
Colonial Treasurer, Collector of Internal Revenue, and Accountant-General	From 300*l.* to 500*l.* –	400 – –	–		
First Clerk	60	150 – –	–		
Second Clerk	– –	120 – –	–		
Clerk to Accountant-General	– –	120 – –	–		
Customs Department:					
Collector of Customs, Naval Officer, and Harbour Master	200	200 – –	–		
Chief Clerk	– –	150 – –	–		
Second Clerk	– –	140 – –	–		
Third Clerk	– –	140 – –	–		
Bonded Storekeeper and Landing Waiter	– –	150 – –	–		
Bonded Storekeeper, Adelaide	– –	120 – –	–		
Assistant Storekeeper	– –	130 – –	–		
Wharfinger	– –	130 – –	–		
Boarding Officer	– –	104 – –	– –	– –	and rations.
Tidewaiter	– –	104 – –	– –	–	and rations.
Chief Pilot	– –	65 – –	– –	– –	and rations.
Boat's Crew and Pilots for service, consisting, on an average, of 17 men, at 4*l.* per month	– –	884 – –	– –	– –	and rations.
Six Watchmen, at 2*l.* per week	– –	624 – –	– –	– –	and rations.
Eleven labourers, at 2*l.* per week	– –	1,144 – –			
Landing Waiter (Glenelg), at 3*l.* 13*s.* 10*d.* per week	– –	139 19 4	–		
Assistant Landing Waiter, 2*l.* week	– –	104 – –	–		
Boat's Crew of five men, at 2*l.* per week	– –	520 – –	–		
Master of Mud Barge, at 2*l.* 10*s.* per week	– –	130 – –	– –	– –	and rations.
Seven Labourers, at 2*l.* per week	– –	728 – –	– –	– –	and rations.
Collector of Customs at Port Lincoln	– –	150 – –	–		
Audit Office:					
Auditor-General	100	150 – –	–		
Post Office:					
Postmaster-General	– –	150 – –	–		
Clerk	– –	104 – –	–		
Messenger, at 15*s.* per week	– –	39 – –	–		
Rent of Office	– –	25 – –	–		
Postmaster at Port Lincoln	– –	– – –	– –	– –	Salary not known.
Ditto - at Kangaroo Island	– –	– – –	– –	– –	– – ditto.
Aborigines' Protection Department:					
Protector	250	250 – –	R.		
Interpreter	– –	80 – –	–		
Teacher	– –	100 – –	–		
Storekeepers' Department:					
Storekeeper-General	100	200 – –	–		
Assistant ditto	50	140 – –	–		
Supreme Court:					
Judge	500	500 – –	–		
Clerk of Court	– –	160 – –	–		
Sheriff	– –	200 – –	–		
Allowance for Office	– –	30 – –	–		
Advocate-General and Crown Solicitor	300	300 – –	–		
Clerk to ditto	– –	80 – –	–		
Allowance for Office	– –	54 12 –	–		
Resident Magistrate	– –	250 – –	–		
Clerk of the Peace	– –	120 – –	–		
Clerk to Resident Magistrate	– –	120 – –	–		
Clerk to Bench of Magistrates	– –	100 – –	–		
Two Officers	– –	182 – –	–		

(continued)

OFFICE.	SALARY and CHARGES authorized.	SALARY and CHARGES actually paid.	Revenue.	Emigration.	REMARKS.
POLICE ESTABLISHMENT:	£.	£. s. d.			
Superintendent	200	250 — —	R.		
Inspector	150	200 — —	—		
Sub-Inspector	125	127 8 —	—		
Governor of Gaol	— —	200 — —	—		
* 2 Serjeants, at £.2 9 — per week	— —	254 16 —	— —	— —	* The number of constables in the police force appears to vary weekly. These calculations are based on the payments for the last week of the quarter ending 31 Dec. 1839, being the latest returns received by the Commissioners.
* 30 Constables, at 1 19 — —	— —	3,042 — —	—		
* 5 Serjeants, at 1 15 — —	— —	455 — —	—		
* 23 Constables, at 1 5 — —	—	1,494 — —	—		
* 4 Park Rangers 1 19 — —	— —	405 12 —	—		
* 2 - Ditto 1 14 — —	— —	176 16 —	—		
LAND DEPARTMENT:					
† Resident Commissioner, Assistant Commissioner, and Registrar	400	500 — —	— —	— —	† It does not appear that the office of registrar is filled up. The salary is paid to Captain Sturt, in his capacity of Assistant Commissioner.
Chief Clerk	80	180 — —	—		
Second Clerk	— —	120 — —	—		
Messenger	— —	67 — —	—		
EMIGRATION DEPARTMENT:					
Emigration Agent	250	250 — —	— —	E.	
Clerk	— —	120 — —	— —	—	
SURVEY DEPARTMENT:					
Surveyor-General	600	600 — —	R.	— —	(a).
Deputy Surveyor	300	400 — —	—		
Ditto - ditto	— —	400 — —	—		
Three Surveyors, at £.200 per annum	— —	600 — —	—		
Seven ditto, at 180 —	— —	1,260 — —	—		
Four ditto, at 150 —	— —	600 — —	—		
Two Draftsmen 180 —	—	360 — —	—		
Two ditto 150 —	— —	300 — —	—		
Commissary of Survey	— —	200 — —	—		
189 Labourers, for wages and rations, for quarter ending 31st Dec. 1839, 5,053 *l.* 9 *s.* 7 *d.*	— —	20,213 18 4	—		
Two extra Surveyors, employed during quarter ending 31st Dec. 1839, 131 *l.* 17 *s.* 4 *d.*					
MISCELLANEOUS:					
Colonial Chaplain	250	250 — —	—		
Allowance for Horse	— —	51 12 —	—		
Colonial Surgeon	100	200 — —	—		
Coroner	—	— — —	— —	— —	- Paid by fees; about 150*l.* per annum.
Inspector of Hospitals	— —	— — —	— —	— —	Salary not known.
Keeper of Park Lands	— —	— — —	— —	— —	- - ditto.
Inspector of Government Buildings	— —	— — —	— —	— —	- - ditto.

N. B.—The salaries described as actually paid are calculated from the payments made in the quarter ending 31st December 1839, being the latest return on the subject received by the Commissioners, and are all paid out of the Revenue Fund, except the salary of the Emigration Agent and his clerk.

(*a*) As the surveying staff, authorized by the Commissioners on the appointment of Lieutenant Frome to be Surveyor-General, varies in rates and modes of payment as well as in numbers, it cannot be inserted in the comparative table, and is therefore subjoined :—

Surveyor-General	£.600	per annum.
With an additional allowance by way of per-centage on the land sold and taken possession of, to be not less than 200*l.* nor more than 400*l.* per annum.		
Deputy Surveyor-General	300	—
Two Draftsmen, at 10*s.* per diem	312	—
Two Clerks and Computors, at 6*s.* 8*d.* per diem	208	—
Seven Surveyors, at 6*s.* 8*d.* per diem	728	—
Thirty Labourers, at 4*s.* per diem	1,860	—
Rations in the field, say 40 men, each 1*s.* 3*d.* per diem, for 300 days	750	—
Instruments, say	50	—
Expenses of transport and other incidental charges	800	—
With an additional allowance for each officer of 4*l.* for every 1,000 acres completely surveyed, mapped, and marked out; but such allowance not to exceed, in the whole, two-thirds of the fixed salary of such officer.		

It appears from the returns, that the staff organized in the colony by Colonel Gawler, *pro tem.* and the staff taken out by Lieutenant Frome, were both employed during the quarter ending 31st December 1839.

— No. 83. —

COPY of a LETTER from *R. Torrens*, Esq. and the Hon. *E. E. Villiers*, to *J. Stephen*, Esq.

South Australian Colonization Office,
9, Park-street, Westminster, 12 December 1840.

Sir,

No. 83.
R. Torrens and Hon. E. Villiers, to J. Stephen, Esq 12 Dec. 1840.

IN that part of our memorandum on Captain Grey's minute which related to a question raised in the minute, as to the mode of dealing with those special surveys of land which had been effected for the benefit of members of the Australian Government, we observed that it did not appear by the records of the commission that any discouragement had originally been held out to the purchase of land by public officers, but rather the contrary. In making this remark, we had in view both a general statement of the fact as made to us, and also a minute of the late Board, which required that the officers of the Government in South Australia should purchase land in proportion to their salaries. We did not quote this minute, because we found that it had been subsequently, in common with some other regulations, rescinded. We had, however, solely in view the rules and customs established by the commissioners. Since our memorandum was forwarded, we have ascertained upon making a further search into the early papers of the office, that in the year 1835 Lord Glenelg desired, with reference to Mr. Angas's having become a member of the South Australian Company, that no commissioner should have a proprietary interest in the colony. This prohibition, of course, modifies our statement of the views which have been heretofore taken by the home Government of the general expediency of giving such an interest to the governing bodies of newly-formed colonies. In the particular case of South Australia, a decision of a contrary nature, so far as regards the managing commission at home, is on record.

The existence of this document, however, in no way affects the answer to Captain Grey's inquiry respecting the legal claim of members of the Government to certain special surveys. We have met the case as regards all other members of the Australian Government not commissioners, to whom the prohibition did not extend; and for ourselves be beg leave to state that we have not, and never had, any personal interest in the special survey system, or in any land which has been purchased under that system. As regards the late commissioners, we find upon searching the Land Order Books in our office, and the returns from the colony, that Mr. Jacob Montefiore's name is recorded as the holder of one share in a special survey, taken in the month of May 1839, but that no mention is made of any other commissioner in connexion with the purchase of any special surveys. Should further inquiry as regards these gentlemen be deemed necessary, it would of course have to be addressed to them by the authority of the Secretary of State.

I have, &c.
(signed) *Robt. Torrens*,
Edward E. Villiers.

— No. 84. —

(No. 2.)

COPY of a LETTER from Lord *John Russell* to Captain *Grey*.

Sir,

No. 84.
Lord John Russe to Captain Grey. 29 Dec. 1840.

29 December 1840.

ON the receipt of your letter of the 18th ult. I communicated to the Lords Commissioners of Her Majesty's Treasury so much of the minute enclosed in that letter as relates to or affects any question on the receipt, custody, and accounting for of the public revenue of South Australia.

I enclose for your information and guidance a copy of the answer which has been written by their Lordships' direction. It is unnecessary to impress upon you the necessity of adhering with the utmost possible closeness to the line of conduct which it is the wish of the Lords of the Treasury that you should pursue on the various subjects mentioned in the letter of their assistant secretary.

5 December.

I also referred to the Colonization Commissioners for South Australia those parts of your letter which appeared to fall more particularly within their cognizance. Their answer will be found to embrace some of those topics which are also noticed by the Lords of the Treasury.

Copies of that answer and of a separate letter in connection with it, are enclosed for your information. It remains that I should explain to you my own views on the questions which your letter proposes to me, so far as they are not set at rest by the Lords of the Treasury, and by the explanations of the Colonization Commissioners.

11 December.
12 December.

1. With regard to your correspondence, it will be proper that you should address yourself to the Secretary of State on all questions relating to the legislative and executive duties of your Government; and further, that, under the existing circumstances of the colony, and until you receive further instructions, you should communicate directly with me generally, on all questions of finance. I will then make such communications as may be necessary on the subject of your Despatches to the Colonization Commissioners.

4. With regard to what are termed the special surveys, it has been decided that no new surveys of that description should, for the present, at least, be undertaken. A considerable quantity of land, as you observe, still remains to be surveyed under the contracts already entered into on that system. But in this, as in every other undertaking, you must be guided by the sufficiency of the revenue to bear the charge; and the fulfilment of such contracts must be deferred until the circumstances of the colony will admit of their completion, when you will comply, as far as possible, with any *bonâ fide* engagement to purchasers.

9. I entirely

No. 84. Lord John Russell to Captain Grey, 29 Dec. 1840.

9. I entirely approve of the measure which you propose of creating corporate bodies, whether municipal or otherwise, and of investing them with the power of imposing rates and assessments, and of levying wharfage and other dues, with the view of relieving the public revenue, and of devolving, as far as possible, on the inhabitants of the towns and of the rural districts the management and the charge of their concerns.

10. I fear that there will be found very considerable difficulty in detaching troops from the New South Wales command for the service of South Australia; but I will still consider how far the arrangements of the public service may admit of a compliance with your application on this head.

You will receive a further communication from the South Australian Commissioners in regard to your duties as resident commissioner.

I have, &c.
(signed) *J. Russell.*

Paper, No. 2.

J. Oswald, Esq. M.P. to Lord J. Russell, 16 February 1841.

(1.)—LETTER from *J. Oswald,* Esq. M. P. to Lord *John Russell.*

My Lord, 14, Arlington-street, 16 February 1841.

I HAVE the honour to transmit to your Lordship the memorial of a number of most respectable merchants in the city of Glasgow. Their case is, in my opinion, a very hard one.

I trust that it will be in your Lordship's power to take the question into consideration at an early period. The memorial was, by mistake, addressed to the Board of Trade.

I have, &c.
(signed) *James Oswald.*

(2.)—MEMORIAL of Merchants of *Glasgow* to the Right Honourable Lord *John Russell.*

The Memorial of the undersigned Merchants in Glasgow,

Sheweth,

Memorial of Glasgow Merchants, 13 February 1841.

That your Memorialists are in the custom of shipping goods to Her Majesty's Colony of South Australia, and in return receiving remittances, by bills drawn by the Governor of that colony upon Her Majesty's Commissioners at home.

That in consideration of the undoubted security of Government bills, the Memorialists have always paid for them a much higher premium than what bills drawn upon merchants might be purchased for.

That the bills thus received have been always regularly accepted, and honoured, by Her Majesty's Commissioners, until within these three months, when bills to a considerable amount have been refused acceptance, in consequence, as is alleged, of the Governor having deviated in some respect from his instructions.

That in consequence of this refusal to accept the bills drawn by the representative of the Government, the Memorialists must necessarily suffer loss, and very great inconvenience, which it is thought, considering the high premium that is paid, they ought not to be exposed to.

The Memorialists, therefore, earnestly request, that the Honourable the Commissioners of the Board of Trade will take this matter into their serious consideration, and use such meatures with Government as may cause the bills above mentioned to be immediately accepted.

(signed) *Russell, Macnish & Co.*
per pro *William Wright.*
John Grahame.
Dunlop, Rowand & Co.
James Fien & Co.,
per pro *John Fien.*
Scott, Muir & Co.
Cuthbertson & Tweeslee.
Huirs, Cormell & Co.
John & James Swan.
John Inron & Son.
J. & T. Moore.
Wm. Richmond & Co.
John Hoscock & Co.
Ambrose Dale.
Jas. Richmond & Co.
Campbell, Muschen & Kennedy.
Harper & Son.

13 Feb. 1841.

(3.)—LETTER from *R. Vernon Smith,* Esq. to *James Oswald,* Esq. M. P.

R. V. Smith, Esq. to J. Oswald, Esq. M.P. 22 February 1841.

Sir, Downing-street, 22 February 1841.

I AM directed by Lord John Russell to acknowledge the receipt of your letter of the 16th inst., enclosing a memorial from various parties having claims on the Government of South Australia, and I am directed by his Lordship to acquaint you in reply, that the memorial will be referred to the Committee of the House of Commons, which have been appointed to inquire into the circumstances of that colony, with a view of making such satisfaction of claims on South Australia as Parliament may sanction.

I have, &c.
(signed) *R. Vernon Smith.*

Paper, No. 3.

PAPERS delivered in by Colonel *Torrens*.

FIRST PERIOD.

NEGOCIATIONS with Government until the passing of the Act.

First Period.

Negociations with Government.

THE principle upon which the colony of South Australia proceeds is, that the expense of emigration from the United Kingdom may be defrayed by means of the value which immigration into the colonies confers upon their waste lands.

This principle, if true in itself, can have no practical limit, except that which may be fixed by the actual extent of available land at the disposal of the Crown in countries not unfriendly to the British constitution. If 100 persons planted on 2,000 acres of waste land will render that land of sufficient value to induce other persons to purchase it at a price sufficient to plant 100 persons upon it, then an industrious population of 100,000 souls planted upon a tract of 2,000,000 acres, may confer upon this tract a value sufficient to repay the cost of planting the 100,000 souls upon it.

If this principle be true in itself, and capable of practical application, then the progress of the colonial possessions of the Crown in population may be as rapid as is that of the western states of the American Union. It is unnecessary to dwell upon the obvious effects which might thereby be produced upon the condition of our home population, upon the shipping interest, and upon the extension of colonial markets for British goods.

The object of the projectors and founders of the colony was to bring this important principle to the test of practical experience. The plan originated with Mr. E. G. Wakefield, with whose publication on the principles of colonization the Committee are probably acquainted. In the summer of 1831 that gentleman, accompanied by Major Bacon, called upon me to explain his views, and, I being then in Parliament, to bespeak my co-operation. The proposed plan of colonization had been previously submitted to Lord Howick, who, as I was informed, entertained a favourable opinion of the principle of disposing of waste land, upon which the plan proceeded. In the month of August I waited upon Lord Goderich with a deputation from the intending colonists, consisting of Major Bacon, Mr. Gouger and Mr. Graham. An outline of the plan of the proposed colony, signed by the deputation, and accompanied by a printed paper, prepared, as I believe, by Mr. Wakefield, explanatory of the details, was submitted to his Lordship; and the obliging manner in which his Lordship received this, and a subsequent deputation, led to the inference, subsequently found to be erroneous, that he was favourable to the project.

According to the original plan, as at first presented to Lord Goderich, the colony was to have been a chartered colony, after the model of the British settlements planted in North America in the 17th century. The following is the outline presented to the Secretary of State by the deputation of which I have spoken:—

"London, 25 August 1831.

"The undersigned, being a deputation of a society formed for the purpose of establishing a colony on the southern coast of Australia, have the honour to submit to Lord Viscount Goderich the outline of a proposal in which the mode of colonization intended to be followed is explained.

"The undersigned, having taken pains to learn the opinions of persons distinguished by their knowledge of this subject, have the satisfaction to state that it has met with the general approval of such persons, as well as of some who have hitherto been inimical to any proposed plan of colonization; and they have the most satisfactory assurance that the whole subscription for the capital required will be furnished whenever they shall be in a condition to commence proceedings. Such, indeed, is their confidence on this point, that, in order to enable them to offer to His Majesty's Government a considerable sum as purchase-money of land, and for the purposes of emigration, they consider nothing wanted beyond an assurance that the offer would be accepted on the terms proposed.

"These terms are shortly the following:

"1. That permission be given to the company to make a settlement on the southern shore of Australia, extending from the 132d to the 141st degree of east longitude, including the islands on the coast.

"2. That no land within these boundaries shall be occupied by the company, or any individual, until purchased in the manner stated in the accompanying printed proposal.

"3. That all the purchase-money received for land is expended in defraying the cost of the immigration of young persons of both sexes, in as nearly equal numbers as possible.

"4. That

First Period.

Negociations with Government.

"4. That no restriction on trade, or monopoly of any kind, be established in the colony.

"5. That the governor be recommended by the company, subject to the approval of His Majesty.

"6. That when the population of the colony shall comprize 5,000 male adults, an assembly shall be called, to be chosen by the colonists, for the purpose of conducting their local concerns.

"7. That up to the meeting of the local assembly, and until one year thereafter, all the expenses of governing and protecting the colony shall be borne by the company.

"8. That at the end of one year from the appointment of the local assembly, the expenses of governing and protecting the colony shall be borne by the colonists.

"9. That from this period the appointment of the governor shall be wholly in the Crown.

"10. The governor to have a veto on all laws, subject to appeal to His Majesty in Council.

"The undersigned beg to impress upon the attention of Lord Goderich the facts, that the Government of this country will be put to no expense on account of the colony; that by the application of the funds of the company a very considerable number of destitute persons will be taken to the colony; that a market will be established for British manufactures; and that an opening, probably to any extent, will be afforded for such British subjects as may be desirous to emigrate.

"The undersigned beg leave to submit to Lord Goderich, that unless the sanction of their enterprize be granted to them within a short time, they would not be able to send out the first expedition before Christmas, and that a very long delay would consequently ensue, because any expedition quitting England in the early part of next year would reach Australia in the winter season.

(signed) "*Robert Torrens.*
"*Anthony Bacon.*
"*Robert Gouger.*
"*Geo. J. Graham.*"

The Committee will perceive by this plan, that the whole expense of establishing the colony would have been borne by the chartered company. My own conviction was, that had we then obtained the sanction of Government, we should have had no difficulty in getting a paid-up capital of 100,000 *l.* For one, I was disposed to risk 1,000 *l.* in the undertaking.

The discussions which took place upon the Reform Bill, and the dissolution of Parliament, suspended all proceedings respecting the projected colony, and the body of intending settlers dispersed, many of them, as was understood, emigrating to Canada and the United States.

The advocates of self-supporting colonization were too confident of their principles, and of the ultimate triumph of truth, to be diverted from their purpose. In the following year they formed themselves into a society, under the title of "The South Australian Society." Mr. Wolryche Whitmore, the chairman of this society, now conducted the negociation with the Government, and can afford to the Committee more accurate information than myself regarding the protracted proceedings which led to the passing of the South Australian Act. During the temporary absence of Mr. Whitmore I occasionally acted as chairman of the committee; and as such I addressed a letter to Lord Goderich on the 9th of July, enclosing a draft of a charter, framed after the model of those granted to the companies by which the North American colonies were planted. To this communication Mr. Hay replied in a letter, dated 17th July, and stating in detail Lord Goderich's objections to the establishment of a chartered colony. I endeavoured to remove these objections in a letter of the 19th of the same month. These letters have already been laid before the Committee, and printed.

When Lord Stanley became Colonial Minister the South Australian Association renewed their negociations with the Government; but the communications of the society with Lord Stanley, and subsequently with Lord Monteagle, were chiefly conducted by Mr. Whitmore, to whose influence and persevering exertion the passing of the South Australian Act is mainly to be attributed.

SECOND PERIOD.

Second Period

From the passing of the South Australian Act to the gazetting of the First Commission.

'rom passing of ıct to gazetting of 'irst Commission.

THE South Australian Bill had been introduced into the House of Commons by Mr. W. Whitmore, under the sanction and approval of Mr. Secretary Spring Rice; in the House of Lords it was introduced by the Marquess of Normanby, and was supported by the Duke of Wellington, and it received the Royal assent on the last day of the session of 1834. After the passing of the Act Mr. Secretary Spring Rice, in conformity with its provisions, proceeded to nominate the colonization commissioners. The commission thus nominated consisted of Mr. W. Whitmore, chairman, Mr. Clay, Mr. Grote, Mr. George Ward Norman, Mr.

Second Period.

From passing of Act to gazetting of First Commission.

Mr. Childers, and myself; and the commissioners, though not gazetted, appointed Mr. Rowland Hill as acting secretary, and held meetings at the banking-house of Mr. Grote for effecting preliminary arrangements. On the change of Government, however, which took place in the latter end of 1834, all the gentlemen who had been nominated to the commission by Mr. Spring Rice declined to act, with the exception of myself. Under these circumstances I waited upon the new Secretary of State for the Colonial Department, in order to receive his commands, and was most graciously received by Lord Aberdeen, who stated that he did not consider that the functions of the colonization commissioners were connected with party politics; that he sat there to give effect to the Act of the Legislature; and that he wished to receive the names of gentlemen interested in the proposed experiment in colonization, who might be disposed to act on the commission in the place of those who had retired. In obedience to the wishes thus expressed, I addressed the following letter to Lord Aberdeen:—

"My Lord, "6, John-street, Adelphi, 13 February 1835.

"In obedience to your Lordship's commands, I have the honour of submitting, for your Lordship's consideration, the names of gentlemen willing to act under the Colonial-office as commissioners for carrying into effect the Act of Parliament for colonizing South Australia.

"I have also the honour of enclosing a letter from Mr. Palmer, stating his willingness to act should your Lordship be pleased to appoint him one of the commissioners, but at the same time expressing a wish to have the name of his son inserted instead of his own.

"Since the retirement of Mr. Wolryche Whitmore the executive functions which he performed as chairman have fallen upon me. Having much more leisure, and perhaps I may venture to add, more knowledge of the object and principles of the proposed colony than the other gentlemen who are now willing to act as commissioners, I am desirous, should the arrangement be approved and sanctioned by your Lordship, to continue, after the commission shall be formed, to serve under the Colonial-office as chairman in the place of Mr. Whitmore.

"I have, &c.
(signed) "*Robert Torrens.*'

Enclosure in the foregoing.

"My dear Sir, 15 February 1835.

"In sending you the names of the gentlemen who are willing to become commissioners under the South Australian Colonization Act, I am requested by the body of persons intending to go to the colony to beg you will represent to Lord Aberdeen their ardent hope that his Lordship will, by the early appointment of the commissioners, relieve them from the embarrassments and anxiety which the lengthened delay has occasioned. This point the colonists hope you will do all you can to impress upon his Lordship, and I am convinced you will not fail to do so, as you are aware of the injuries which some of the party have suffered from their repeated disappointments.

"I am, &c.
"To Colonel Torrens." (signed) "*Robert Gouger.*"

List of proposed Commissioners enclosed in the preceding:

Lieutenant-Colonel Torrens.	Jacob Montefiore, Esq.
George Fife Angas, Esq.	George Palmer, Esq.
W. A. Mackinnon, Esq. M. P.	John Wright, Esq.
Samuel Mills, Esq.	

On the 16th February I received a letter from Mr. Hay, stating, in reply to my letter of the 13th, that Lord Aberdeen thought it indispensably necessary, before proceeding further in the discussion of the subject, that he should distinctly understand whether the proposed commissioners were to be accountable to the Crown, and personally responsible for the receipt and application of the money to arise from the sale of land in the proposed colony.

Mr. Hay's letter is as follows:

"Sir, Downing-street, 16 February 1835.

"I am directed by the Earl of Aberdeen to acknowledge the receipt of your letter to his Lordship of the 13th inst., enclosing the names of various gentlemen willing to act under his Lordship's authority as commissioners for carrying into effect the Act of Parliament for colonizing Southern Australia.

"Lord Aberdeen considers it to be an essential preliminary to the further discussion of this subject, that it should be distinctly understood whether the proposed commissioners are or are not to be accountants to the Crown, and personally responsible for the receipt and application of the money to arise from the sale of lands in the proposed colony. By the 9th clause the power of appointing a treasurer and other officers, and of removing such treasurer and officers, and of appointing successors, is given to the commissioners; and by the 11th

Second Period.

From passing of Act to gazetting of First Commission.

section it is declared, that all monies under the control of the Board shall be received and paid by the treasurers so appointed, who are to give sureties for the faithful discharge of their duties, to such amount and in such manner as to the said commissioners may seem fit. The following clause, the 12th, enacts that all accounts of the treasurer shall be submitted to the Lords of His Majesty's Treasury, and be audited in the same manner as other public accounts. The Act also gives to the commissioners extensive powers of selling or leasing land, of receiving and applying the purchase-money or the rent, and of taking up large sums at interest. The 21st section absolves the commissioners from personal liability to the lenders of any loans which they may so raise, or on any bonds which they may issue. But Lord Aberdeen does not perceive in the Act any declaration that the commissioners shall not be accountable to the Lords of the Treasury for the receipts and payments effected by their treasurer with their order or concurrence. His Lordship presumes that all the monies which they shall receive as commissioners, must be considered as part of the King's revenue, and that the commissioners, not being a corporate body, must be regarded only as His Majesty's agents (though appointed under the authority of Parliament) for the management, receipt, and expenditure of that part of the revenue of the Crown. The treasurer being their nominee, liable to removal at their bidding, and by no other authority, and giving securities, subject only to their approbation, would seem to be in effect their agent, for whose acts they would be answerable to the Lords of the Treasury. In confirmation of this view of the subject, it may be noticed that the Governor of New South Wales (in common with the Governors of His Majesty's colonies) is held responsible to the Lords of the Treasury for all issues of money made by the colonial treasurer with his sanction, although the colonial treasurer is appointed, and when necessary removed, by the Crown, and enters into such securities as the Lords of the Treasury prescribe.

"Lord Aberdeen being led to apprehend, from the terms of your letter, and from the language of the enclosures, that the gentlemen proposing to act as commissioners consider themselves as completely irresponsible to the Lords of the Treasury, his Lordship thinks it right that their attention should be distinctly drawn to the question, in order that they may, if necessary, ascertain, by consulting His Majesty's Attorney and Solicitor General, what would be the legal consequence in this respect of their undertaking the proposed trust. You will have the goodness to understand that Lord Aberdeen does not intimate, as in fact he has not formed, any decided opinion upon this matter, but thinks it of such essential importance, and involved in such obscurity, as to require a solution of the question on the highest possible authority, before the discussion advances further.

"I have, &c.

(signed) "*R. H. Hay.*"

To this letter I returned the following reply:—

"South Australian Office, 7, John-street, Adelphi,

"Sir, 2 March 1835.

"I HAVE the honour to acknowledge the receipt of your letter of the 16th ult., stating that Lord Aberdeen considers it to be an essential preliminary to further discussion respecting the proposed colony in Southern Australia, that it should be distinctly understood whether the proposed commissioners are or are not to be accountable to the Crown and personally responsible for the receipt and application of the sale of lands in the proposed colony, and that his Lordship thinks this matter of such essential importance, and involved in such obscurity, as to require a solution of the question on the highest possible authority.

"In reply, I have the honour to state, that as several of the proposed commissioners are acquainted, as well personally as professionally, with Mr. Freshfield, the solicitor to the Bank of England, and have confidence in his ability and legal knowledge, it was considered advisable in the first instance to apply to that gentlemen for advice; I therefore placed the Act of Parliament, together with your letter of the 16th ult., in the hands of Mr. Freshfield, and requested him to favour me with his opinion in writing upon the very important questions to which Lord Aberdeen directed the attention of the proposed commissioners should be called. Mr. Freshfield's answer I have now the honour to enclose.

"Should the opinion of Mr. Freshfield be correct, it will follow that no public money raised by the commissioners under the provisions of the Act can be either received or paid by them; that all such money must be received and paid by the treasurer, and that the commissioners will have no power to order the treasurer to make any payments except for the purposes specified in the Act.

"Though by the Act of Parliament the treasurer is to be appointed and to be removable at the pleasure of the commissioners, and is required to give such securities as they may think fit, yet, as the commissioners are themselves to be the nominees of the Secretary of State for the Colonies, and to be removable at his pleasure, they will merely be the agents of the Colonial-office, at all times subject to its immediate authority and control, and will not be in a position to exercise their functions in appointing or removing the treasurer, and in taking the proper amount of the securities, without the express sanction and direction of the Secretary of State and the Lords of His Majesty's Treasury.

"I therefore venture respectfully to submit, for the consideration of Lord Aberdeen, that the provisions of the Act with respect to the treasurer may be complied with, and complete security offered for the due application of such portion of the King's revenue as may be raised under its authority, by the functions of the commissioners being limited to submitting, for

Second Period.

From passing of Act to gazetting of First Commission.

for the approbation of the Secretary of State, the name of a gentleman willing to co-operate with them in giving effect to the regulated and self-supporting plan of emigration, according to which the proposed colony is to be founded, and prepared to give such amount of security for the faithful performance of his trust, and to conform to such regulations as the Lords of the Treasury may prescribe.

"I have, &c.
(signed) "*Robert Torrens.*"

Enclosure in the preceding.

"Dear Sir, New Bank-buildings, 27 February 1835.

I HAVE carefully perused the Act 4 & 5 Will. 4, c. 95, to empower His Majesty to erect South Australia into a British province, &c., and Mr. Hay's letter to you of the 16th instant.

"It is distinctly stated by Mr. Hay that Lord Aberdeen has not formed any decided opinion upon this matter, otherwise I should have felt so much deference as to disincline me to express myself with any degree of confidence, and should have recommended an application to the law officers of the Crown; but taking Mr. Hay's letter as an invitation to you to state the view entertained on your part, I have no hesitation in stating it as my opinion, that the commissioners are not to be accountants to the Crown, nor responsible for the receipt and application of the money made subject to their control by Act of Parliament. Of course they would be liable for any personal corruption in the exercise of their powers, and for the application of the money to purposes not within the authority of the Act, but that liability is common to every person accepting a trust.

"The Act of Parliament enables the commissioners to sell lands, receive rents, and to raise money for the purposes of the Act, by way of loan; but the 11th section expressly directs, 'that all monies under the control of the said Board of commissioners shall be received and paid by the treasurer;' to me it therefore appears clear, that not only is the treasurer not the agent of the Board, but that in the receipt of the money he is a perfectly independent officer, whose receipt is absolutely necessary to discharge a purchaser or other person liable to pay money; and who, though acting under the control of the commissioners, is bound by the terms of the Act of Parliament, and would not be warranted in applying money contrary to its directions.

"The treasurer is to be appointed by the commissioners, and to give such security as they may think fit; but it might be satisfactory to the Colonial Department to have it distinctly understood that the Board would appoint any person, and to take any amount of security to be proposed by the Secretary of State, or they may act on their report, subject to the approbation of the Secretary of State.

"I would submit that the case of the governors of His Majesty's colonies does not exactly bear upon the present question. The governors, by the orders they give, do in effect draw on the colonial treasury for money, which becomes a charge upon them, to be discharged by the regularity of the applications, nor has the treasurer any means of knowing what is or is not a proper application of the money in his hands; and other reasons might be given to show the different relations in which persons holding that character stand to the Crown, and which in my opinion renders that necessary in one case, while in the other it is virtually excluded by the Act of Parliament.

"I return the papers, and remain, &c.

"Colonel Torrens." (signed) "*J. W. Freshfield.*"

After submitting Mr. Freshfield's opinion to the Colonial-office, I waited upon the Secretary of the Treasury for the purpose of explaining the nature of the questions which had arisen, and of requesting that an early decision might be obtained as to the custody and application of the colonial fund. And on the 31st of March I addressed the following letter upon the subject to Sir T. Fremantle:—

"Dear Sir, 31 March 1835.

"PERMIT me to recur to the conversation which passed between us on the subject of the South Australian colony when I had last the pleasure of seeing you at the Treasury.

"It is the opinion of Mr. Freshfield, corroborated by that of other legal authorities, that by the Act of Parliament the Australian commissioners are not made accountable to the Crown, but that the treasurers, whom the Act requires that they shall appoint, shall be made the only recipients of the King's revenues, and therefore the only accountants to the Crown.

"But the Act directs that the commissioners should not only appoint the treasurer or treasurers, but should take from him or them the requisite securities. This provision of the Act has raised a difficulty with the Colonial-office as to whether the treasurers, being nominees of the commissioners, are to be responsible to the Lords of His Majesty's Treasury. Now I venture to suggest, on the authority of Mr. Freshfield and others whom I have consulted, that this difficulty may be effectually removed by the commissioners, who are themselves but the nominees of the Secretary of State for the Colonies, and removable at his pleasure, receiving an instruction from the Treasury as to the amount of the securities, and as to the nature of the regulations which the treasurers are to give, and to which they are to conform.

Second Period.

From passing of Act to gazetting of First Commission.

"As I have from the first taken a deep interest in promoting the formation of this colony, I shall feel personally obliged if you will have the goodness to accelerate as much as possible the decision of the question before the Treasury.

"I am, &c.
(signed) "*Robt. Torrens.*"

On the 3d April I received the following reply:—

"Dear Sir, Treasury, 3 April 1835.

"In reply to your letter of the 31st, on the subject of the accountability of the commissioners of the South Australian Company, I have made inquiries of the Commissioners of Audit, and they have reported that the treasurers are the accountable persons to the Crown, and the commissioners only responsible for the due execution of the powers vested in them by the Act of Parliament. A communication to this effect has been made to the Secretary of State.

"I am, &c.
(signed) "*Thos. F. Fremantle.*"

On the 8th April I received from Mr. Hay the following letter, finally closing the negociation with the Earl of Aberdeen:—

"Sir, Downing-street, 8 April 1835.

"I have laid before the Earl of Aberdeen your letter of the 7th inst., in which you state the names of two gentlemen who are willing to act as solicitor and as treasurer to the South Australian Company, and you request to be informed whether those gentlemen whose names were submitted in your letter of the 13th of February last as commissioners for carrying into effect the provisions of the Act of Parliament for colonizing South Australia, have been approved by his Lordship. In reply, I am directed to acquaint you that, under the present circumstances of the Government, Lord Aberdeen does not feel at liberty to proceed with the arrangements of the South Australian Company. I am directed to add, that it was not until the 4th inst. that the decision of the Board of Treasury was received at this department, on the point of reference which it was thought necessary to make to that Board, in consequence of the question raised by your letter of the 13th of February, relative to the personal liability of the commissioners.

"I am, &c.
(signed) "*R. H. Hay.*"

The above letter of the 8th April, which finally closed the negociation with the Earl of Aberdeen, was upon the 27th April followed by a letter from the new Secretary of State for the Colonial Department, appointing to the colonization commission the gentlemen whose names had been submitted to his predecessor for approval. That letter was as follows:—

"Sir, Downing-street, 27 April 1835.

"I have had under my consideration the letter which you addressed to the Earl of Aberdeen, under date of the 13th of February last, submitting the names of certain gentlemen who are ready to act under this department as commissioners for carrying into effect the provisions of the Act of Parliament for colonizing South Australia; and I have to acquaint you that I see no reason to doubt that the parties, whose names are stated underneath, may with propriety be accepted by His Majesty's Government as members of the commission; viz.

"Lieut.-Col. Torrens, Chairman.	John Wright, Esq.
W. A. Mackinnon, Esq., M.P.	Jacob Montefiore.
W. Hutt, Esq., M.P.	Samuel Mills, Esq.
George Palmer, Esq. jun.	Geo. Fife Angas, Esq.

"Having understood that it has been considered desirable to appoint a commissioner, who may be the representative of this department, I have selected Edward Barnard, esq., one of the agents-general for the colonies, and formerly agent for the Australian provinces, as a member of the commission.

"I have, &c.
(signed) "*C. Grant.*"

The additional members placed upon the Board by Lord Glenelg gave increased efficiency and influence to the commission. The appointment of Mr. Barnard as the representative of the Colonial Department imparted an official character to the Board, and tended to remove the impression which seemed to prevail, even in official quarters, that the colonization of South Australia was a private speculation, and not a Government measure. The accession of Mr. John Lefevre was peculiarly important. Having been Under Secretary of State for the Colonies during the discussions which were carried on with the Government, his co-operation gave weight and authority to the commission, while, from his knowledge of the principles of the colony, he was enabled to afford the most valuable aid in the removal of the early difficulties which I shall have to detail to the Committee. The appointment of Mr. Hutt was as beneficial to the public service as it was agreeable to myself, on account of an early controversy which had taken place between us upon the principles of the colony, and which, unlike the generality of controversies, ended in complete agreement. I had opposed concentration,

centration, under the impression that it required the limiting of the settlers within a prescribed area, so as to cause a premature occupation of inferior lands, and the consequent creation in a new country of the high rents, and low profits and wages, which occasion the pressure and distress peculiar to old countries; and I had contended that the sale of waste land, under a condition producing such results, would be the worst source from which an emigration fund could be derived. But when concentration was explained as being the combination, within a given space, of that amount of labour which gives the largest quantity of produce in proportion to the number of hands employed, my opposition ceased, and I became an advocate of the Wakefield system. Mr. Hutt, as I believe, was the earliest advocate of Mr. Wakefield's views, and the main instrument in first producing them before the public. In all difficulties involving the application of the true principles of colonization, I relied with confidence upon his influential support, and never failed to obtain it.

Second Period.

From passing of Act to gazetting of First Commission.

THIRD PERIOD.

From the gazetting of the Commissioners to Departure of the first Governor.

Third Period.

THE commissioners were gazetted on the 5th May 1835, for the purpose of giving effect to certain parts of the Act for erecting South Australia into a British province. By a reference to the 26th section of the Act, it will be seen that their preliminary duties were to invest 35,000 *l.* in the hands of trustees for the purchase of land in the colony, and also to place 20,000 *l.* in the hands of other trustees, to be held as a guarantee or security, in order to protect the public purse against expense on account of the colony. The difficulty of accomplishing these objects will be immediately perceived, when it is considered that South Australia was at that period an unexplored wilderness, and that the colony, the revenue of which was to be the security for the proposed loan, was not yet in existence. But this was not all. Before they could proceed to sell land in the wilderness, or raise a loan upon the security of revenues which remained to be created, it was necessary that considerable expense should be incurred in providing offices, engaging clerks and agents, and in explaining to the public the principles and the prospects of the new colony by printed papers and advertisements. The Government lent no aid. On the 20th May an application was made to Lord Glenelg for chambers in which to conduct the business of the commission. This application was not attended with success.

1835, 5 May.

4 & 5 Will. 4, c. 95.

See Letter-book, p. 21.

On the 13th May an application was made for permission to conduct the correspondence of the Board through the Colonial-office, as was done by the committee for emigration to New South Wales and Van Diemen's Land, in order to save the expense of postage. This application, which was renewed on the 15th and 19th June, was unsuccessful; and the expenses of the establishment were found to be so heavy, that on the 21st July it was resolved at a meeting of the Board, that it would be impossible to give the necessary publicity to the plan of colonization, for the promotion of which the commission was appointed, unless permission should be given to pass letters through the Post-office free of charge, and that the chairman should again apply to Lord Glenelg for the use of this privilege. An answer to this application was received on the 4th August, expressing Lord Glenelg's regret that the privilege of passing letters through the Colonial-office could not be granted, and enclosing communications on the subject from the Lords of the Treasury and the Postmaster-general. Thus the commissioners, in commencing their duties, were left to their private resources and those of their friends, in order to provide the pecuniary means of carrying on the public service. Mr. Gouger proposed to advance 500 *l.* and Mr. John Brown 250 *l.* for the expenses of the commission. Another gentleman offered to make an advance of money for the immediate expenses of the commission. Mr. Barnes proposed to advance 1,000 *l.* for the purchase of land, and Mr. Mills, one of the commissioners, engaged to take 1,000 *l.* in colonial revenue securities. I had myself arranged from the first projecting of the colony to invest 1,000 *l.* in the purchase of land. The means of conducting the public service being supplied from private sources, the commissioners proceeded in their efforts to fulfil the conditions of the Act, requiring, as a preliminary measure, that the waste lands of the intended colony should be sold in this country to the amount of 35,000 *l.* For some time the difficulty of effecting sales to the required amount appeared insurmountable, and to remove this difficulty extraordinary exertions became necessary. The Board adopted a resolution requiring from its officers who might be appointed in the colony a landed qualification at the rate of 500 acres of land in the colony for every 100 *l.* of salary received. The resolution of the Board fixing this qualification was subsequently rescinded, but its principle was so far adhered to, that candidates for office, who became purchasers of land in completion of the preliminary sales, were considered to possess a priority of claim; and all persons appointed to office by the Board, or recommended by the Board to the Colonial-office, were required to devote immediately a large portion of their time and energies to the establishment of the colony, though their salaries were not to commence until the landing of the governor.

May 13, Letter-book.

June 15, Letter-book.

June 19, Letter-book.

Minute-book, No. 1: July 21.

Minute-book, vol. 1, Aug. 4th. Minute.

Minute-book, vol. 1, Min. May 14th.

The commissioners and their officers, while establishing the colony, which was neither a chartered colony nor an ordinary Crown colony, but something between both, were in a manner compelled, by the absence of all Government aid, to incur pecuniary liabilities in the performance of their public duties.

Minute-book, vol. 1, p. 9. Min. July 21.

Minute-book,vol.1, Minute, Aug. 18. Minute-book,vol.1, Minute Au .

On the 18th August it was resolved, that the sum required for carrying on the duties of the commission can only be procured through the liberal intervention of persons desirous of forwarding the objects of the colony; and on the 25th it was resolved, that Mr. Gouger be requested to take immediate steps for raising among the friends of the undertaking a loan of 1,000 *l.* to meet preliminary expenses.

Preliminary Land Sales.

Vide 1st Minute-book. Minute-book,vol.1.

The regulations under which the commissioners effected the preliminary sales to the amount required by the Act; the necessity they were under, in order to complete these sales, of reducing the price of public land from 1 *l.* to 12 *s.* per acre, and the delays and difficulties which they had to encounter, are fully detailed in the First Annual Report and in the Minutes of the Board. It will be seen by the Minute of December 2, 1835, that on that day the instalments paid upon the preliminary land orders amounted to little more than 26,000 *l.*, and that there was still a deficiency of 9,000 *l.* to make up the 35,000 *l.* required by the Act of Parliament. In this difficulty, the persons connected with the local government again acted as if South Australia had been a chartered colony, and made themselves personally responsible for any defalcations on the part of the land purchasers which might prevent the fulfilment of the conditions of the Act. On receiving a guarantee to this effect, the bankers, Messrs. Currie & Co. and Messrs. Esdaile & Co., each transferred the sum of 4,500 *l.* to the credit of the trustees, Sir William Molesworth and themselves, addressing a letter to the Board, stating that they held for the trustees, in Exchequer bills and cash, the sum of 35,000 *l.* invested for the purchase of land in South Australia.

Loan.

Vol. 1, Minute-book.

The provisions of the Act requiring the investment of 35,000 *l.* for the purchase of land having been complied with, we lost no time in proceeding to fulfil the conditions of the 24th section, requiring the investment of 20,000 *l.* in Government securities, as a guarantee against the colony becoming a charge upon the mother country. The 14th section of the Act authorized the commissioners to raise a loan of 200,000 *l.* by the issue of colonial revenue securities, in order to create this guarantee fund, and to provide for the expenses of governing the colony and for maintaining the local government. The commissioners conceived that the colony might be relieved from the payment of taxes for the benefit of the mother country, and an application was therefore made by Mr. Freshfield for permission to insert into the Stamp Act a clause for the purpose of clearly exempting the South Australian debentures from the stamp duty. On the 18th August, the chairman was requested, by a resolution of the Board, to wait upon the Chancellor of the Exchequer respecting the stamp duty upon the bonds. The duty, however, was not remitted, and the commissioners were compelled to proceed to negociate the required loan without any aid or countenance from Government. All measures connected with the loan are so fully detailed in the First Annual Report, that it is necessary to refer the Committee to it.

Orders in Council and Letters Patent.

Difficulties and delays. 1st Minute-book, p. 138. Min. 8. Minute-book,vol.1, p. 165, Min. 2 & 3.

At a Board held on the 2d December, the same day upon which the conditions of the Act of Parliament were finally fulfilled, as regards the completion of the preliminary sales, it was resolved, that a letter be prepared requesting Government to issue the Order in Council erecting the province, and to take the other steps consequent on the fulfilment of the preliminary conditions of the Act. And on the 6th January the chairman reported that he had an interview with Lord Glenelg on the 2d instant, when he represented to his Lordship the great injury the intended colonists were sustaining by the present delay in issuing the Orders in Council and Letters Patent, and that Lord Glenelg expressed a desire that the commissioners should prepare a plan for securing the rights of the aborigines, and arrangements for purchasing the land of the natives. A draft of a plan prepared by the chairman in compliance with Lord Glenelg's wish was then read and approved, and the chairman was requested to submit it to Lord Glenelg.

On the 8th December the chairman addressed a letter to Sir George Grey, enclosing the opinion of Mr. Parker respecting the Letters Patent and Orders in Council required for the establishment of the colony, and requesting that these instruments might be granted with as little delay as possible.

At a Board held 22d January, a letter of January 21st was received from Sir George Grey, stating 1st, That Lord Glenelg, considering the arrangement with regard to the aborigines of paramount importance, has directed the Attorney and Solicitor General to report to him by what methods the powers with which it is proposed to invest the protector can be effectually conveyed to that officer, and that his Lordship will act in this respect in whatever manner they may advise.

2. That His Majesty's Government are content that the whole of the territory described in the Act of Parliament as South Australia should be erected into a single province.

3. That understanding the colonists would not regard as an advantage the power on the part of the Lords of the Treasury of applying part of the land fund for the maintenance of the colonial government, his Lordship will not press that measure against their wishes.

4. That the various other proposed amendments of the Act of Parliament will not be insisted on, upon the distinct understanding that the colonists consider them superfluous with a view to their own protection.

5. That

Third Period.

From gazetting of Commissioners to Departure of First Governor.

5. That the Crown lawyers having approved of the drafts prepared by the commissioners of the proposed Letters Patent and Order in Council, these instruments will be laid before the King for His Majesty's sanction.

6. That the plan for the civil establishment of the colony proposed by the commissioners has been submitted to the Lords of the Treasury, and that Lord Glenelg has recommended, in addition to the appointment of a chaplain and protector, that the Governor and Council be authorized and instructed to make such provision for the police, and for the incidental expenses of the Governor's office and of the administration of justice, as may appear to them necessary.

In reply to this communication, a letter was addressed to Sir George Grey, on the 29th January, conveying the thanks of the commissioners for the important concessions Lord Glenelg had kindly made to their wishes, and to those of the intending colonists, admitting the necessity of empowering the Governor and Council to make a moderate provision for the incidental expenses of the colonial government, and stating that the commissioners, in their chairman's letter of the 12th December 1835, had no intention of submitting to Lord Glenelg a complete scheme for the colonial expenditure. Letter-book, vol. 2, p. 128. Letter-book, vol. 2,

On the 22d February the Governor was gazetted. 1836, 22 February.

Preparations for Surveying Expedition.

The preparations for equipping the surveying expedition, which had been necessarily suspended during the protracted discussions on the question of erecting the province, were actively resumed upon the receipt of Sir George Grey's letter of the 21st January, announcing that the Letters Patent and Orders in Council had been laid before the King for His Majesty's sanction. On the 2d of December 1835, the day upon which the preliminary conditions of the Act had been fulfilled, the chairman announced to the Board that he had on the same day addressed the following letter to Sir George Grey :— Letter-book, No. 2, p. 56.

"Sir, South Australia Commission, 2 December 1835.

"In reply to your letter of the 23d ultimo, calling the attention of the colonization commissioners for South Australia to the 26th section of the Act, requiring, as a preliminary, that 'until the persons intending to settle in the said province or provinces and others shall have invested (either by payment to the said commissioners, or in the names of trustees, to be appointed by them), for the purchase of public lands in the said province or provinces, the sum of 35,000 *l.*,' &c., I have now the honour to state that this clause of the Act has been complied with, and that the sum of 35,000 *l.* for the purchase of land in South Australia has actually been paid into the hands of the following trustees; viz. Sir William Molesworth, bart. M. P., Raikes Currie, esq. and Pascoe St. Leger Grenfell, esq., a copy of whose receipt is herewith enclosed.

"I request that you will be pleased to submit, for the consideration of Lord Glenelg, the course which, after due consideration, the colonization commissioners are desirous of pursuing in establishing the colony. They wish, in the first place, that the Governor, with the surveying party and pioneers, should proceed to South Australia in a vessel of war calculated to perform, with safety and expedition, the survey of the inlets and harbours of the new province, in order that the site of the capital town may be fixed, and the adjacent lands laid out for the reception of the colonists upon their arrival.

"The commissioners would propose to send out the first main body of colonists so that they may arrive in the colony about two months after the governor. By this arrangement it is hoped that the first settlers may be placed at once on their respective locations, without encountering the privation and the loss to which they would be subject were they to be sent out at the same time with the governor, and consequently compelled to wait until the surveys and other arrangements for their reception were completed.

"The commissioners venture to hope that Lord Glenelg may sanction the arrangement they have now suggested, and if so, that his Lordship will be pleased to apply to the Lords Commissioners of the Admiralty for a ship of war for the purpose of conveying the Governor and surveying party to the colony. As soon as the colony shall be established there will be a considerable resort of shipping to its ports for the purpose of trade and fishing, and it will be necessary to complete not only a land survey of the interior for the colonists, but also a naval survey of the bays and coasts for the safety of the shipping and commercial interests of the country in the Australian seas. This latter survey, being an object not of local, but of national interest, it is hoped that a vessel of war may be employed in accomplishing it, without interfering with the principle of defraying its own local expenses, upon which the colony is to be established.

"I have, &c.
(signed) "*Robert Torrens.*"

The Board passed a resolution confirming the proceedings adopted by the chairman, and requesting Mr. Barnard to see Sir George Grey upon the subject.

In compliance with the request of the Board, Mr. Barnard had an interview with Sir George Grey on the when he was informed that as the Lords of the Admiralty had already caused His Majesty's ship Buffalo to be partly fitted for the conveyance of the Governor and emigrants to South Australia, a vessel of war, as specified in the chairman's letter, could not then be substituted. The fact was, that Captain Hindmarsh, in his capacity of a naval officer, had been in communication with persons connected with the Board of Admiralty

Third Period.

From gazetting of Commissioners to Departure of First Governor.

Admiralty, and with his friend Sir Pulteney Malcolm, on the subject of his proceeding to South Australia in command of a King's ship, and had, without adverting to what might be the arrangement of the colonization commissioners, obtained an offer of the Buffalo. This Buffalo being a heavy transport, proceeding to New Zealand for a cargo of spars, was totally unfit for the service of surveying the coasts of South Australia. The commissioners were consequently compelled to purchase and fit out a fast-sailing vessel for the conveyance of the surveying staff, and for exploring the inlets and harbours of the South Australian coast.

Minute-book, vol. 1.

On the 18th February, the arrangements proposed for the equipment and conveyance of the surveying expedition were submitted to the Colonial-office. On the 22d February these arrangements received the sanction of Lord Glenelg; and on the 2d of May the chairman addressed a letter to Lord Glenelg, announcing that the arrangements for the surveying expedition had been completed, and that the Rapid, carrying the surveyor-general, had sailed for the colony.

The commissioners were desirous that the sailing of the Buffalo with the Governor and the first body of colonists should be delayed, in order to afford sufficient time for the surveyor-general to select the site of the first settlement; but as private parties had already chartered ships and sailed from this country for the colony, it became necessary to dispatch the Governor and the colonial officers, in order to establish law and order amongst the settlers. The commissioners therefore applied to have the Buffalo ordered to proceed direct to South Australia, and she sailed from this country on the 30th July 1836.

FOURTH PERIOD.

From the Departure of Governor *Hindmarsh* to the Appointment of Governor *Gawler*.

Fourth Period.

THE difficulties which had been overcome in fulfilling the conditions of the Act of Parliament, and the obstacles which remained to be removed in giving effect to its provisions, are adverted to in the First Annual Report of the late commissioners. Impressed with the serious nature of these obstacles, the Board applied to Lord Glenelg to sanction an amendment of the South Australian Act. On the 5th July a letter was received from Sir George Grey, stating that, in consequence of the advanced state of the session, Lord Glenelg thought it more advisable to defer any Parliamentary proceedings upon the subject until the next session, but that in the meantime his Lordship would be glad to communicate with the commissioners on the provisions of a comprehensive measure of amendment.

June 1. Letter-book, vol. 2, p. 323. 5 July.

August 17. Letter-book, vol. 3, p. 46. Col. Torrens' Letter-book, p. 24. 1837.

In consequence of this intimation, the Board, on the 17th August, addressed to Lord Glenelg, through their chairman, a letter, which has already been laid before the Committee and printed.

No reply was given to this communication; but on the 9th January following a letter was received from Sir George Grey, stating that Lord Glenelg desired to know whether the commissioners were still of opinion that it would be necessary or expedient to apply to Parliament for an alteration of the existing Act; and whether, if such should be the case, they would wish to suggest any alteration in the draft of a Bill which had been submitted to his Lordship on the 1st June. The chairman had an interview with Sir George Grey on the subject, and understood that Lord Glenelg, if the commissioners still considered it necessary to apply to Parliament, had no objection to a short declaratory Act, authorizing the loans to be raised by way of annuity.

February 1st, Col. Torrens' Letter-book, No. 2, p. 42. Letter-book, vol. 3, p. 166.

A letter was received from Sir George Grey, dated 28th January, enclosing, in compliance with the request of the Board, as conveyed in the secretary's letter of the 20th January, the copies of the correspondence which had taken place between the Colonial Department, the Treasury and the law officers of the Crown, as to the proposed alterations in the South Australian Act, the custody and control of the funds, and the general financial arrangements of the colony. The Committee will perceive that there is a remarkable coincidence, as regards the anomalous provisions of the Act of Parliament, between the views of the Government thus communicated to the commissioners and those which they had themselves stated in their chairman's letter of the 17th August. It is stated in Mr. Stephen's letter to Mr. Spearman, that Lord Glenelg cannot but anticipate very great confusion and difficulty from the anomalous system which had been introduced, and that in the opinion of his Lordship, the Act should be so amended as to bring the funds of the colony under the control of the Lords of the Treasury, and that it might be expedient to arrange with the commissioners for obtaining the concurrence of the Treasury for all their intermediate expenditure. The answer of the Lords of the Treasury to Mr. Stephen I request permission to read :—

Col. Torrens' Letter-book, No. 1, p. 24.

"Sir, Treasury Chambers, 7 October 1836.

"I HAVE laid before the Lords Commissioners of His Majesty's Treasury your letter of the 19th August last, relative to the control of the Government over sums to be raised by the colonization commissioners for South Australia for the service of that settlement, and I am commanded to request you will acquaint Lord Glenelg that my Lords concur in opinion with his Lordship as to the inconvenience that is likely to result from the anomalous provisions of the South Australian Colonization Act, with respect to the control of the application of the funds raised by the commissioners to defray charges of founding and providing for the government of the colony, and as to the expediency of obtaining the sanction of Parliament for its amendment, and my Lords will be fully prepared to take into considera-

tion

tion any arrangement Lord Glenelg may think proper to propose to the com missioners with this view, whereby His Majesty's Government may either be absolved from t he responsibility of raising a revenue to meet engagements, which, under the existing Act, mig ht be contracted without their concurrence, or may be duly empowered to control both the exercise of the power vested in the commissioners to raise money on the security of the rev enues, and the application of the money when so raised.

"I am therefore directed to request you will move Lord Glenelg to communicate with the colonization commissioners on the subject of such amendments, and in the event of the course last-mentioned being adopted, to make the arrangement suggested in Mr. Stephen's letter, with a view to the concurrence of His Majesty's Government being obtained for any application of the money raised upon the revenue securities that it may be necessary to make in the intermediate period; and in the meantime my Lords will desire the Commissioners of Audit to proceed with the preparation of such instructions in regard to the mode and forms of rendering and vouching the accounts of the funds to be raised under the Colonization Act as may ensure uniformity and regularity in this respect, subject to the future decision of the question of direction and control over the revenue security fund.

"I have, &c.
(signed) "*F. Baring.*"

It appeared to the Board that the question which they raised in their chairman's letter of the 17th August 1836, was not set at rest either by the opinion of the law officers of the Crown or by the provision contained in the draft of the amended Act submitted to the Secretary of State. A letter was therefore addressed to the Colonial-office, stating that though the commissioners were aware that the law officers of the Crown had decided that the Act of Parliament in its present form gave the control of the revenue fund to the commissioners, they were yet desirous of being informed whether Lord Glenelg intended to propose such modifications of the Act as might be necessary to render that control real and efficient, or else to transfer the control and responsibility entirely to His Majesty's Government. Letter-book, vol. 3, p. 291.

A reply, dated 23d March, was received to the communication, stating that Lord Glenelg considered the question respecting the custody and application of the revenue fund to have been set at rest by the opinion of the law officers of the Crown, and that he did not see any reason why that question should be now renewed. Nevertheless, the commissioners still found themselves in a position of difficulty. They continued to feel, as they had expressed in their chairman's letter of the 17th of August, that they had too much power, if it were intended that their functions should be confined, as colonization commissioners, to the sale of land and the conducting of emigration; while they possessed, in consequence of the divided and undefined authority created by the Act, too little power, if it were desired that they should act as Lords of the Treasury with respect to the new colony. In the progress of these proceedings the evils of divided authority accumulated upon them, and on the 22d December they submitted to the Colonial Department a Minute suggesting an arrangement, by which, as they believed, these evils might be in part obviated. This Minute, with the letter which accompanied it, are as follows:— Letter-book, vol. 4, p. 74. Min.-book, vol. 2.

"South Australian Colonial Office,
22 December 1837.

"My Lord,

"The Colonization Commissioners for South Australia, seeing the very serious injury inflicted on the colony by the disunion and contentions arising out of divided authority, beg permission to submit, for the consideration of your Lordship, the enclosed Minute on the means of removing an evil, which, if suffered to continue, is calculated to impede, if not altogether to destroy, the rising prosperity of the new settlement. The Minute was unanimously adopted by the Board at its meeting on the 20th instant; and the commissioners venture to hope that the arrangements which it recommends, or some analogous and more suitable measure for securing unity and co-operation in administering the affairs of the colony, may receive the approval of your Lordship.

"I have, &c.

"To Lord Glenelg." (signed) "*Robert Torrens.*"

Minute enclosed in the foregoing.

"1st. That, as far as may be found practicable and expedient, the colonization commission should be considered as bearing the same relation to the Colonial-office which the East India Company bears to the Board of Control.

"2d. That, subject to the approval of the Secretary of State for the Colonies, and under the authority of his signature, the colonization commissioners do prepare the instructions issued to the Governor and Council of the colony; and that the commissioners shall submit, for the approval of the Secretary of State, the regulations and instructions which they may issue respecting the sales of land, and the application of the funds at their disposal.

The arrangement proposed in this Minute was in the first instance sanctioned and adopted by Lord Glenelg, but was subsequently suspended. Nevertheless, the principle which it

Fourth Period.

From Departure of Governor Hindmarsh to the Appointment of Governor Gawler.

involved, though not formally recognized as a positive rule, was yet practically adopted by the Secretary of State. Lord Glenelg did all that could be done to strengthen the hands of the commissioners, and to obviate the evils of divided authority. He directed that the despatches of the Governor should be forwarded to them for whatever comments or recommendations they might deem it expedient to make: he permitted them to report as to whether the laws passed in the colony by the governor and council should or should not be allowed; and, with the single exception of the appointment of the judge, he placed the whole patronage of the colony at the disposal of the commissioners. They found at the Colonial-office, not hostility and obstruction, as has sometimes been erroneously supposed, but willing aid and valuable advice. Through this support, the Act, with all its anomalous provisions and ill-defined powers, was made to work well in this country. In the colony very different results were produced. On the landing of the Governor on the shores of South Australia, a governor's and a commissioners' party immediately sprung up. On this subject, perhaps, I cannot do better than repeat the language of the late commissioners in their Third Annual Report: "In this country the liberal confidence and efficient support which the commissioners at all times experienced from Lord Glenelg, in conducting the difficult experiment in which they were engaged, obviated the evil consequences which might otherwise have arisen from the ill-defined and incongruous powers created by the Act. In the colony the case was different. The Governor had scarcely landed when a governor's party and a commissioners' party were formed. The partizans of the former imagined that they were upholding the Royal prerogative and maintaining the power of the Crown, by forcing a departure from the regulations and instructions by which the commissioners gave the selection of the site of the capital to the surveyor-general, and left to private enterprise the laying out of all secondary towns. While, on the other hand, the partizans of the commissioners acted as if they thought that to limit and oppose the exercise of the executive authority was to vindicate the peculiar principles embodied in the Act. The irritation of the contending parties became daily more intense. The despatches received from the several authorities in the colony were chiefly occupied by narratives of official contests upon subjects comparatively unimportant. This state of things was beginning to produce impressions as well in this country as in the neighbouring colonies, and must have impaired, if not altogether suspended, the prosperity of South Australia, had not prompt and effectual measures been adopted for removing the cause in which it had originated."

Some of the principal officers under the colonization commissioners manifested their zeal for the principles of the colony by resisting the Acts of the Governor, rather than by conforming to the instructions of the commissioners. Two examples will be sufficient to illustrate to the Committee the utter inability of the commissioners to exact obedience from their officers. The resident commissioner had the most precise and positive instructions to transmit to the Board in this country a half-yearly report, comprising reports in detail from the colonial treasurer, the storekeeper and the emigration agent. Remonstrances and commands, reiterated in almost every despatch, failed to extract these reports from the resident commissioner.

The commissioners, after consulting with the first authorities upon such subjects, instructed the surveyor-general to abandon the tardy and expensive plan of a trigonometrical survey with which he had commenced, and to substitute a running survey in its stead. Instead of yielding prompt obedience, the surveyor-general immediately threw up his appointment, and his resignation was followed by that of the assistant surveyors. The circumstances connected with this transaction are so fully detailed in the Third Annual Report of the late commissioners, that it would be wasting the time of the Committee further than to allude to them on the present occasion.

While the commissioners failed to receive obedience from their own servants, it was not to be expected that their authority should be respected by the Governor. Captain Hindmarsh carried his opposition to the arrangements of the commissioners so far as to adopt the extraordinary proceeding of recommending to the Secretary of State the removal of the site of the capital, and of announcing his intention of doing so, and of thus violating the whole of the contracts which the commissioners had made with the purchasers of the first 437 sections. This proceeding appeared the more extraordinary, inasmuch as the site selected by the surveyor-general for the first settlement is, without exception, the most eligible which is to be found throughout the province of South Australia. Such paralyzing counteraction, coupled as it was with an application to the Secretary of State for the removal of the resident commissioner, the colonial secretary, the advocate-general, the emigration agent and the deputy surveyor-general, left to the commissioners no alternative but to press upon Lord Glenelg the necessity of recalling Captain Hindmarsh from the government. To this urgent application, seconded as it was by the representations of the South Australian Company, Lord Glenelg acceded. The several considerations by which the commissioners were induced to adopt the strong measure of urging the recall of Governor Hindmarsh, are set forth and explained in the letter which they addressed to the Secretary of State on the occasion. It is, however, no more than an act of justice to Captain Hindmarsh to quote from that letter the following passage:—"In conclusion, the commissioners beg to assure your Lordship, that it has been with the greatest regret and reluctance that they have been constrained to make these representations against an officer so distinguished as Captain Hindmarsh for gallantry and good conduct in the honourable profession to which he belongs; and it is gratifying to them to believe that the administrative errors of the civil governor of a province cannot tarnish the honour won by the brave and skillful seaman, in the military service of his country."

Letter-book, vol. 4, p. 75.

FIFTH PERIOD.

Progress of the Colony under Colonel *Gawler* in 1839.

Lord Glenelg not only complied with the request of the commissioners in recalling Governor Hindmarsh, but left it to them to recommend his successor. After much deliberation and inquiry, the commissioners recommended Colonel Gawler. Upon the appointment of that officer, the prospects of the colony, which had been checked in public estimation by the local dissensions and the delay of the surveys, immediately revived. Colonel Gawler was not personally known to a single member of the commission, and he was recommended to the Secretary of State upon public grounds alone. On receiving his application, the Board requested me to inquire at the Horse Guards respecting his qualifications, and in compliance with this request, I immediately waited on the Adjutant-general, who stated that Colonel Gawler was one of the very best officers in the army, adding these remarkable words, "I cannot conceive it possible that Gawler should do a foolish thing." Sir John Macdonald at the same time informed me that he must decline the responsibility of recommending a governor for South Australia, and that if it was desired to appoint a military officer to that situation, the proper course would be to refer to the Commander-in-chief. I consequently addressed a letter to the military secretary, requesting, on behalf of the commissioners, to be favoured with Lord Hill's opinion as to Colonel Gawler's character and qualifications. To this letter I received a most satisfactory reply, which, with Colonel Gawler's other testimonials, was forwarded to the Colonial Department.

Several circumstances concurred with the high character of the new Governor in restoring confidence. We again sought and obtained the advice of the Colonial-office; and it behoves me again to testify, from my own practical experience, that nothing can be more groundless than the impression, which has sometimes seemed to prevail, that there existed at the Colonial-office an unfriendly feeling towards South Australia. On the request of the commissioners, Lord Glenelg united, in the person of Colonel Gawler, the two important offices of governor and resident commissioner. This at once annihilated in the colony the divided authority from which so many injurious effects had arisen. But this was not all. Financial instructions to the Governor, the colonial treasurer, to the auditor-general, and to the storekeeper, on all matters connected with the receipt, custody, and application of the public money, had been prepared by the Commissioners of Audit, and approved by the Lords of the Treasury. On the request of the colonization commissioners, Lord Glenelg obtained the sanction of the Treasury for addressing these instructions to Colonel Gawler in his character, not of governor, but of resident commissioner. This important alteration corrected those incongruous provisions of the Act which separated the financial from the executive authority, and enabled the commissioners, in whom the financial control was vested, to communicate directly with the head of the local government. But while making this arrangement for enabling them to communicate directly with the head of the executive government in his character as resident commissioner, on subjects of finance, the commissioners had no desire to release Colonel Gawler, in his character as governor, from responsibility to the superior authority of the Secretary of State on subjects touching the local expenditure. On the contrary, in a letter addressed to the Colonial Department, dated 17th August 1838, they request that Lord Glenelg would be pleased to point out to Colonel Gawler how necessary it would be to exercise the greatest care in availing himself of the funds proposed to be placed at his command, and distinctly to inform him that he will be responsible for any expenses unnecessarily incurred.

Another circumstance which gave increasing confidence in the prospects of the colony, was the effort made by the commissioners to accelerate the surveys. I have already stated to the Committee, that when intelligence reached the Board of the tardy progress made by Colonel Light in putting the settlers in possession of their land, the commissioners sought and obtained the advice of the distinguished officers charged with conducting the Ordnance survey in this country, and, under their guidance, instructed Colonel Light to adopt the method of a running survey. This able and high-minded officer, who had served with distinction in the Peninsular war, as aide-de-camp to the Duke of Wellington, received his new instructions at a time when his energies were enfeebled by disease, and when his mind was in a state of nervous irritability from the harassing and vexatious opposition which he had to encounter from the quarter whence he had a right to expect the most willing encouragement and support. Instead of obeying his instructions he resigned. The circumstances of this untoward event are, as I have already said, detailed in the Third Annual Report. Before the resignation of the surveyor-general was known in this country, Governor Gawler had sailed for the colony. The first step taken by the commissioners upon receiving the intelligence was to write to Colonel Gawler in his capacity of resident commissioner, investing him with full powers to re-organize the surveying staff, and authorizing him to incur whatever expense might be requisite for effecting this indispensable object. The letter of the Board to Colonel Gawler on this important occasion is as follows:—

"South Australian Colonization Office,
2 December 1838.

"Sir,

"Yesterday the Colonization Commissioners received despatches from the resident commissioner, dated July 14th, stating that the surveyor-general had resigned, and that his Letter-book, No. 7. p. 89.

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resignation had been followed by that of the greater part of the assistant surveyors. Under these circumstances, the commissioners are desirous of placing, and do hereby place, in your hands the fullest and most ample powers to re-organize the surveying staff, in whatever manner and to whatever extent may appear to you most expedient in order to render it efficient, and to remedy, as far as may be practicable, the interruption and delay in the progress of the surveys which these resignations will have occasioned. Reposing the fullest confidence in your zeal, energy, and discretion, the commissioners will not attempt to fetter or impede the free exercise of your judgment by prescribing instructions or by tracing out any particular course for your guidance.

"The objects to be obtained are, to expedite the surveys and to place the purchasers of land upon their locations with the least possible delay; and the commissioners have only to request that the arrangements which you may make for their attainment may be regarded only as provisional and temporary, so that it may be left open to the Board to determine, when fuller information shall be received, upon what scale the surveying staff shall be permanently established. The commissioners hereby authorize you to incur any additional expense which you may deem essential, whether it be in increasing the strength of the surveying staff from the neighbouring colonies, or in contracting with private surveyors for the rapid execution of any given quantity of work.

* * * * * * * *

"I have, &c.

(signed) "*Robert Torrens.*"

The Committee will be pleased to mark the condition specified in this letter. It will be there seen, that while the most ample powers were confided to Colonel Gawler for meeting the emergency which had occurred, he was distinctly instructed to consider the arrangements he might make for resuming the surveys as only provisional and temporary, so that it might be left open to the Board, when fuller information should be received, to determine upon what scale the surveying staff should be permanently established. In seeking to obtain the further information thus indicated the commissioners lost no time. They once more resorted for advice to the officers charged with the Ordnance survey, and with their aid entered into a full detail of the expense of conducting a running survey, and into the numerical amount of force required for effecting a given rapidity of progress. The plan of survey which the commissioners, after these inquiries, decided on, is detailed in their Third Annual Report, and the Committee will find a full explanation of the nature and advantages of the system of running surveys, as applicable to new countries, in the very able report presented by Captain Dawson, of the Royal Engineers, to Lord John Russell.

Having determined on the plan to be adopted, the commissioners were anxious to secure the best and most certain means of carrying it into practical effect. With this object, they requested the Secretary of State for the Colonial Department to apply to the Master-general and Board of Ordnance to form a surveying expedition from the Royal Engineers and corps of Royal Sappers and Miners. On this, as on other occasions, Lord Glenelg gave to the commissioners effectual support. Lieutenant Frome, of the Royal Engineers, was appointed surveyor-general, and on the 20th of May 1839 he sailed for the colony, having under his command a detachment from the corps of Royal Sappers and Miners. From this time a high degree of confidence began to prevail that the surveys would proceed with due rapidity, and that purchasers of land would no longer be exposed to vexation and loss while waiting to be put in possession of their locations.

Another circumstance, calculated to improve a reasonable confidence in the available resources and increasing prosperity of the new colony, was the passing of the amended Act 1 & 2 Vict. c. 60. That Act enables the commissioners to borrow reciprocally from the emigration and revenue funds, and to raise new loans, without any clearly defined limit for replacing the sums thus borrowed from either fund in aid of the other. The importance, as regards the progress and financial security of the colony, of the powers thus conferred on the colonization commissioners will require some explanation, and I would request the indulgence of the Committee while I endeavour to supply it.

The principle of raising an emigration loan on the security of the value which the expenditure of such loan in the introduction of an industrious population must confer upon waste and otherwise valueless land, was, I believe, originally propounded by Mr. E. G. Wakefield, in a pamphlet printed for private circulation in 1836. This important principle is stated and illustrated: "Suppose that the United States, wishing to abolish slavery, should wish to expend in one year, upon the immigration of free labour, more than their last year's land fund, which amounted to 2,380,000 *l.*, can there be the least doubt as to the facility with which, upon the security of the future sales of land, they might raise a loan of five or ten times as much as they have yet received in any one year? The American public land fund has increased gradually to its present amount, and must, one may say, go on increasing with the increase of population, until there shall be no more waste land to dispose of. A modern traveller in America, remarkable for the accuracy of his statements, estimates the future receipts of the United States from this source at 'some thousand millions of dollars,' or as much as the whole of our national debt, which amounts to between three and four thousand million dollars. It seems difficult to imagine a better security for a loan than the future sales of waste land in the United States, even though the money raised were not expended in adding to the population of the Union. But if the loan were devoted to immigration, it would possess this peculiar feature: it would be expended in adding to the value of the security on which

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it had been advanced. Suppose that 20,000,000 *l.* (no extravagant supposition, seeing that this is the price which England pays for the abolition of slavery in her colonies) were borrowed by the United States, and employed in conveying from Europe to America 2,000,000 of the labouring class (a number nearly equal to all the slaves in the Union), being young persons of both sexes, in equal proportions. These with their grown-up children would by-and-by amount to 8,000,000 souls. Suppose then, through immigration, an increase of the free population of the Union equal to two-thirds of its present amount (not to mention the increase of numbers without immigration), can there be a doubt that at the end of 20 years or so, the then future American land fund would be amply sufficient to pay off the 20,000,000 *l.* borrowed, interest on the same having been paid during the 20 years out of the receipts of that period? This case has been supposed for the purpose of showing the peculiar safety of a loan which is expended in improving the security on which it has been borrowed. What the Americans might do on the great scale supposed above, our Government may do upon a scale sufficient for the object in view. Our land fund, even with a most imperfect system, which has not been in operation for more than three years, and which succeeded the utmost profusion in granting land, amounts already to 295,000 *l.* a year, and there is every probability of its increasing year by year, even though, as in the United States, none of the receipts should be expended on emigration. We possess a superabundance of capital, the owners of which would receive as a favour the offer of a safe investment, which should pay the lowest rate of interest usually obtained in colonies. If a considerable sum for emigration were borowed on the security of future sales of land, an increase of those sales sufficient to redeem the loan would be made as certain as anything in human affairs. And since the foundation of the great measure of humanity and policy as here suggested has been already laid by the Crown and the Legislature, little more seems to be required for carrying it into full effect than the co-operation of individuals, and a slight exertion on the part of Government."

The principle of raising loans, to be employed in emigration upon the security of the proceeds of the sales of lands upon which immigration must confer value, is also stated and explained in Lord Durham's Report, Appendix (B.) p. 39. Though I have full confidence of the soundness of this principle, yet I would wish to refer the Committee to persons more able than myself to explain and demonstrate it. Its applicability to the peculiar circumstances of South Australia I will, with permission, endeavour to show.

By the first South Australian Act, the commissioners are empowered to raise a colonial revenue loan to an amount not exceeding 200,000 *l.*, for the purpose of establishing the colony and providing for its government, until a revenue sufficient for that purpose can be raised by local taxation. Now, after the difficulties with which the colony has had to contend, the high rate of interest with which it was charged, the guarantee fund, and the delay of the surveys, and consequent retardation of cultivation, a revenue loan of 200,000 *l.* became inadequate to the purpose for which it was intended. In order to give effect to the self-supporting principle upon which the colony has been founded, a further power of borrowing was required, and this further power the amended Act conferred. The operation of the provisions of this Act would be as follows:—Assuming, for example, that the commissioners had in hand at any given time an emigration fund of 100,000 *l.*, in this case, as the shipowners do not receive one moiety of their passage-money until after intelligence has been received from the colony of the safe arrival of the emigrants, nearly one-half of the emigration fund of 100,000 *l.* might remain in the hands of the commissioners for a period of 12 months. Under such circumstances, the amended Act would enable the commissioners to transfer nearly 50,000 *l.* from the emigration fund to the credit of the revenue fund, and to raise, as the back freights were becoming due, a loan of 50,000 *l.* to reimburse the emigration fund, which loan of 50,000 *l.* would form no part of the revenue loan of 200,000 *l.*, to which the commissioners are limited by the provisions of the first South Australian Act. It was thought, and apparently on sufficient grounds, that by a judicious exercise of the powers conferred by the second Act, the finances of the colony might be placed on a basis of complete security.

Such were the encouraging circumstances as regards the future prosperity of South Australia under which the year 1839 commenced. The results seemed not only to realize, but to outstrip the most sanguine anticipations which the friends of the colony had formed.

From the 1st January to the 31st December 1839, the sums received on account of the sales of colonial land effected in this country amounted to 48,336 *l.*, while within the same period the receipts on account of public land sold in the colony amounted to 120,216 *l.* Thus, in the course of 1839, the total amount of the emigration fund derived from the sale of wild lands in South Australia was 168,552 *l.*

In the course of the year 1839, 38 emigrant ships, bearing 5,320 emigrants, were dispatched from the United Kingdom to the colony of South Australia, swelling the population of the province to from 10,000 to 12,000 souls. The number of sheep upon the native pastures was estimated at about 100,000, while additional flocks were approaching overland from New South Wales. The revenue, which in the first quarter of the year had yielded at the rate of 11,500 *l.* per annum, yielded in the last quarter at the rate of 23,800 *l.* The credit of the colony was so high, that South Australian revenue bonds were sold at a premium of 10 per cent., and on one occasion, as I was told, at a premium of 20 per cent.

Yet, notwithstanding these substantial elements of prosperity and high state of credit, a source of danger still existed, which it was necessary to provide for, in order to secure the colony against a period of revulsion. The tardy progress of the surveys, and the consequent delay to which the settlers were subject in obtaining possession of their country sections, forced them in a manner to congregate in the town. The amount of the town

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population constantly increasing by the influx of emigrants, as well from the mother country as from the neighbouring colonies, created an undue demand for town lots and houses, and rendered building more profitable than cultivation. The capitalist found it more beneficial to commence business by erecting substantial houses, and importing provision, than to adopt the opposite course of raising provisions, and postponing the supply of luxuries until after an independent supply of subsistence should be secured. Thus, from the original error of the Act, which compelled the sale of land in this country before any preparations could be commenced for surveying it, the prosperity of South Australia was in some measure rendered an artificial prosperity, deriving its elements from without rather than from within. Very large returns were realized from the progressive increase in the value of town acres and building lots, but it was obvious to those who looked below the surface that such returns could not continue to be realized unless a continuous stream of emigration should be kept up, until the multiplication of flocks and the extension of agriculture should enable the industry of the country to support the industry of the town. This was in progress: flocks were flowing in and multiplying, cultivation had commenced and was rapidly extending; the colony was on the verge of passing the corner, but had not actually passed it.

In this state of things, the colonization commissioners felt it to be their duty to look far ahead, and to avail themselves of the powers they had obtained by the amended Act, in order to place the finances of the colony in such a state of security as would secure the continuance of an inflowing stream of emigration. Under the provisions of the amended Act, they were borrowing largely from the emigration fund, and they were therefore anxious to adopt the most effectual and economical means of replenishing it. In May 1839 they devised a plan by which it was conceived that this necessary object might be secured. The arrangement was, to raise a loan for the purpose of repaying the amount borrowed from the emigration fund in aid of the revenue fund, by issuing colonial revenue bonds, bearing an interest of 4 per cent. per annum, and receivable in the colony in payment for public land at par; instructions being given to the colonial treasurer to announce to the Board of commissioners the amount of the revenue bonds paid in to him from time to time in lieu of cash, in order that the commissioners might give the emigration fund a new credit upon the revenue fund to the same amount. The operation of this arrangement would have been that, while the first debt to the emigration fund would have been paid by the proceeds obtained by the sale of revenue bonds paid into the colonial treasury for the purchase of land, a new debt to the emigration fund would be contracted, by receiving the bonds instead of cash as payment. But the amount of the new debt thus contracted would be exactly balanced by the cancelling of the revenue bonds paid in for land. The operation of the plan may be made apparent by an example. Assuming that the revenue owes 30,000 *l.* to the emigration fund, and that the commissioners issue colonial revenue bonds for 30,000 *l.*, and thus replenish the emigration fund, in this case, if revenue bonds to the amount of 30,000 *l.* were paid in the colony for land, and thereby cancelled and returned to the board which had issued them, the re-issue of a similar amount of revenue bonds to pay off the new debt to the emigration fund would leave the two funds in the same relative position to each other with respect to debtor and creditor account as if no bonds had been taken to the colony, and there exchanged for land.

But while the proposed arrangement could neither have increased the aggregate amount of debt, nor have altered the relation of the two funds to each other, it was calculated to afford the commissioners important facilities for raising the required loans at a low rate of interest. For under this arrangement persons going out to purchase land in the colony would be desirous of obtaining bonds made current in the colony at par for the purchase of land, because by this means, payments being equal as between the colony and mother country, they would gain the interest upon the bonds during a voyage of four months, instead of having to pay freight and insurance on the transmission of specie or an equivalent premium for bills of exchange. Another advantage was contingent on this arrangement. Between the mother country and a new colony the balance of payments can seldom be equal, because a new colony must for a considerable period import more than it exports. Under such circumstances there must be a considerable difficulty in effecting remittances from the colony to the mother country, and consequently in the colony bills upon the mother country may occasionally be expected to bear a considerable premium. In such an event, it becomes the interest of settlers to purchase their land, not in this country, but in the colony, because by leaving their money upon securities in this country, and drawing against it on their arrival in the colony, they obtain the twofold advance of the premium upon bills and the interest accruing upon the securities, until they are sold to meet the bills as they fall due. The Committee will immediately perceive that in such cases the gain of the settlers, in purchasing the land in the colony, would be a loss to the emigration fund, the principal part of which is payable to shipowners in this country; and that when bills upon this country bear a premium in the colony, the making of revenue bonds receivable in the colony for land, might effect a saving equivalent to the expense of transmitting money from the colony to this country. As the representative of the Board, I inquired in the City as to the effect which might be produced, with respect to the rate of interest at which the commissioners could raise their loans, of making South Australian revenue bonds current in the colony at par, in the purchase of land, and was informed, upon authority which would be considered as the highest, that the probable result of the arrangement would be, that such bonds, bearing interest at four per cent. per annum, could not fall below par so long as land continued to be purchased in the colony at the price fixed by the commissioners.

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Such was the arrangement devised in 1839, with the view of improving the credit of the colony, and of enabling the commissioners to obtain, at a low rate of interest, the loans authorized by the amended Acts. At a special meeting of the finance committee, held on the 17th May, the expediency of contracting another loan was discussed, and it was resolved that it be recommended to the Board to consider the question immediately on the receipt of Colonel Gawler's expected despatches; and, on the 5th July following, the expediency of contracting another loan was again considered, and again deferred. At this time, while the state of the money market was unfavourable for borrowing, the state of the finances of the colony were such as to enable the commissioners to go into the market, not as sellers, but as purchasers of securities. On the 1st of July they had in cash, in the hands of their treasurer, in Exchequer bills, and in the balance of loan yet to be paid up, immediately available funds to the amount of 27,600 *l.*, while they were receiving from the land sales in this country, and exclusive of the large sales which were known to be proceeding in the colony, a land revenue at the rate of upwards of 50,000 *l.* per annum. Under these circumstances the Board deemed it expedient to cancel a portion of their previous loan, by buying up their six per cent. revenue bonds, which, from the severe pressure upon the money market, had fallen to 92, and to wait until the cessation of the financial crisis should enable them, under the arrangement already explained, to raise, at a low rate of interest, the loan which would soon be required to replace the sums withdrawn from the emigration fund. This transaction, together with full details of the financial affairs of the colony at the end of the year 1839, the Committee will find in the Appendix to the Fourth Annual Report.

First Minute-book, Nov. 1, p. 232.

In their Third Annual Report the late commissioners expressed their conviction that through the operation of the land regulations which they had adopted, the sales of public land would progressively increase; and, in their Fourth Annual Report, they congratulated themselves upon the realization of this prediction, and stated that the right of special appropriation, by virtue of which purchasers of 4,000 acres and upwards were allowed to select their lands beyond the limits of the ordinary survey, had operated as a bounty upon the introduction of capital into the colony. The general principles, in conformity with which the system of special appropriation was adopted, as well as the particular circumstances which appeared to render that system peculiarly applicable to South Australia, it will be expedient to submit for the consideration of the Committee.

The comparative abundance of land of the first quality is the cause of the peculiar advantages possessed by the industrious classes in new countries. In every country the quantity of produce to be divided between the capitalist and the labourer is regulated by the quantity obtained from the last quality of soil resorted to. While lands of the first quality can be occupied at will, the whole of the produce will go to capital and labour, and profits and wages will be high; and when it becomes necessary to extend cultivation to inferior tracts, then the rewards of industry will be reduced to the quantity of produce raised from such inferior tracts; and the difference between the quantity of produce obtained from the inferior and the quantity obtained from the superior land under cultivation, will appear under the form of rent.

From this brief statement of the principles which regulate the distribution of the produce of the soil, it is apparent that in the founding of a new colony the great object should be, to facilitate the occupation of lands of the first quality. Other things being the same, the progress of new settlements will be in proportion to the extent to which this object can be accomplished. If none but the most fertile and best situated lands are brought under cultivation, wages and profits will be at their maximum; while, if inferior soils are resorted to, rents will advance and profits and wages fall; and the prosperity of the new country will be retarded, by the self-same course by which, in old and populous countries, the industrious classes are depressed.

There are two modes by which, in new countries, the free occupation of the lands of the first quality may be secured. The first mode is by keeping the ordinary surveys so far in advance of the demand for additional land, that tracts of superior quality may be at all times open for selection. The second mode is, by permitting the settlers to select lands beyond the limits of the ordinary surveys, leaving the locations thus selected for subsequent admeasurement. In the United States of North America both these methods are practically in operation. The ordinary surveys are kept far in advance of the ordinary demand for additional land, while the squatters, who select locations beyond the limits of the ordinary surveys, are allowed a right of pre-emption, at the upset price of land, over the locations thus specially selected.

In the colony of New South Wales the occupation of the most fertile and best situated tracts has been secured by a process different from that which obtains in the United States. In the several counties of New South Wales the ordinary surveys were not carried continuously forward so as to be kept far in advance of the demand for additional land, but the settlers were allowed to select eligible lands, and to call upon the local authorities to have them specially surveyed, and to offer them to public sale at the uniform upset price.

In the colony of New Zealand the right of special appropriation obtains so extensively, that for a long time to come the pre-occupation of the most fertile and best situated lands will be sufficiently secured without any great extension of the ordinary progressive surveys. Previous to the landing of the governor, extensive tracts of land of the first quality had been acquired by private persons from the native chiefs; and, under the government regulations, a part of the lands thus acquired may be held under grants from the Crown, in the proportion of four acres for every pound sterling expended on their acquisition. Under these

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these circumstances, there will be two special selections, and the best portions of the best districts will be the first to be occupied.

The New Zealand Company are understood to have acquired from the native chiefs, and others, several millions of acres of land in the best situations, previous to the arrival of the governor; and in effecting such acquisition, and in sending out emigrants, they may have expended from 200,000*l.* to 300,000*l.* It is not impossible that, under the existing regulations, they may become entitled to the special appropriation of a million of acres, selected from previously selected districts, without reference to the progress of the surveys. In New Zealand the judicious arrangements which have been adopted by the Colonial Department for the appropriation of public land, seem well calculated to secure the early occupation of the most productive districts.

In order to form a correct judgment respecting the regulations adopted in South Australia for the special appropriation of land, it will be necessary to consider the peculiarities of the case. In this colony the prior occupation of the most productive lands could not, in the first instance, be secured by extensive surveys in advance of the demand for locations, because the Act of Parliament required that the sales of land should precede the surveys; and, consequently, in that colony, special appropriations afforded the only means by which the pre-occupation of inferior soils could be prevented. But the early appropriation of the most productive soils was not, as in the neighbouring colonies, the only object to be secured by special appropriations. Other objects, more imperative than this, were in the first instance to be attained. It was necessary to give the early purchasers extraordinary advantages, in order to fulfil the conditions of the Act of Parliament respecting the preliminary sales; it was indispensable, with a view to the success of the experiment, that the commissioners should obtain a large emigration fund within a short period, in order to be able, as required by the Act, to convey to the colony a population of 20,000 in the space of 10 years from the passing of the Act; and as the provisions of the Act rendered it impracticable to explore the country before the land was sold, it became expedient to give to the settlers an inducement to explore the province for themselves. These important objects the system of special appropriation adopted in South Australia has secured. That system, as laid down in the regulations for the disposal of land issued by the late commissioners, is as follows:—

"Under the rules and regulations for the disposal of public land in South Australia, any person who may pay in advance, either in this country or in the colony, the price of 4,000 acres, may call upon the resident commissioner to direct the survey of a compact district of land of 16,000 acres in any part of the province which the purchaser may select. This compact district is to be divided into 200 sections of 80 acres each, and out of these 200 sections the purchaser is at liberty to select 50 sections, or 4,000 acres, but in such a manner as not to acquire an extent of water frontage exceeding two miles. The purchaser has also, for the space of 14 days after the survey is completed, the right of pre-emption over the whole of the remainder of the compact district, from which he may take any number of 80-acre sections, at the uniform price fixed for public land. And should the purchaser of the special survey be desirous of establishing a secondary town therein, the site of such town is to be mapped and marked out by the surveyor-general at the public expense, in such manner as may be agreed upon by the purchaser and the resident commissioner; the spaces required for streets and other public purposes not being included as part of the 4,000 acres, and reserves being made, securing to the public in all cases free communication with the coasts, rivers, lakes, and chains of pools."

Such is the system of special appropriation as established by the regulations of the commissioners.

Serious and not unjust objection has been raised against the expense incurred for special surveys in South Australia. The Committee, however, will be pleased to remark that this objection applies to the manner in which the surveys have been conducted, and not to the system as prescribed by the regulations of the commissioners. By a reference to their Third Annual Report, and to the able Minute upon the surveys of New Zealand, addressed by Captain Dawson to Lord John Russell, it will be seen that all the advantages of the system of special appropriation, as that system has been practised in South Australia, may be obtained at a very trifling additional expense.

It has been objected to the system of special appropriation adopted in South Australia, that it enables the purchaser of 4,000 acres to select his land so as to secure the possession of the whole district of 16,000 acres, from which his choice is made by rendering the 12,000 acres which remain inaccessible to future purchasers. This would be impracticable were the regulations of the commissioners adhered to. Under these regulations spaces for roads are everywhere reserved; a road must adjoin every section of 80 acres, and free access is secured to rivers, lakes and chains of pools; and it would therefore be impracticable, were these regulations adhered to, for the purchaser of a special survey to establish a monopoly over the district from which his 4,000 acres might be selected; because the purchaser of a single 80-acre section in that district would not only have a right of road, and of access to the nearest waters, but would possess the self-same facilities as might be possessed by the larger purchaser, of driving his flocks, without authority, over the unappropriated portions of the district upon which his land abutted. The system of special surveys, as laid down in the regulations and instructions of the commissioners, is calculated not to facilitate, but to render impracticable, the species of monopoly contemplated in the objection. In the first place, the system of special appropriation, as it has been applied in South Australia, deprives the speculators in land of the power of acquiring an undue extent of water frontage. In South Australia, the land is measured off in sections of an eighth of a square mile, the sections being parallelograms, half a mile in length and a quarter of a mile

mile in breadth, and consequently the least extent of water frontage which 50 sections on the banks of a river can occupy is 12 ½ miles. Under the ordinary surveys, when a district containing 50 sections abutting on a lake or stream is declared open for selection, the first person or body of persons who may tender for the whole of these sections becomes the purchaser, and thus secures at the least 12 ½ miles of water frontage. Under the special survey system, as that system is laid down in the existing regulations, any person or body of persons who may anticipate the progress of the ordinary surveys, and tender for 4,000 acres in a district adjoining a lake or river, must select the sections in such a way that not more than eight out of the 50 shall abut upon the water.

Purchasers of 4,000 acres, under the ordinary system, may acquire an extent of water frontage more than six times greater than that which can be acquired by the purchaser of 4,000 acres under the special system.

In considering the question of special surveys, it is most important to ascertain whether their tendency is to increase or to diminish the power of acquiring the occupancy of a greater quantity of land than that actually paid for. In South Australia the lands are so measured off, that to every section of 80 acres there is a right of road, and the regulations prescribe that the public shall have a broad road or pathway upon the banks of every river, lake, or chain of pools. Now if the district of 16,000 acres which may be chosen for a special survey is measured off in the usual way, and if the regulations respecting access to its waters be observed, it is obviously impossible that the purchaser of the first 4,000 acres should so select his sections as to secure to himself the occupancy of the remainder of the district; for any person purchasing an 80-acre section in the district, and having a right of way to the nearest river, lake, or chain of pools, would, as has been before stated, have the same facility for occupying the unalienated land of the district as that possessed by the purchaser of the special survey. If the unappropriated lands in the districts from which special surveys have been selected are of such a quality as to be worth occupancy at all, it will become the interest of small capitalists to obtain the power of occupancy by a purchase of an 80-acre section, while it will be the interest of the large capitalist to prevent such intrusion and occupancy by extending his purchase over the remainder of the district. Should no competition arise for the occupancy of the remainder of a district from which the 4,000 acres of a special survey have been selected, the fact may be received as conclusive evidence that the remainder of the district is of a quality so inferior, that the possession of one of its 80-acre sections, with the power of occupying the rest, is considered of less value than an 80-acre section in other quarters. The division of the country into small sections of 80 acres, and the establishment of an uniform price for public land, are amongst the most effectual means of preventing injurious monopolies. If the section were a square mile, instead of the eighth of a square mile, this division would shut out the small capitalist from competing for the occupation of the unappropriated sections of a special survey district, by requiring him to advance the price of 640 instead of 80 acres; and if sale by auction were permitted, the opulent flock-master, in possession of a fertile tract of country, would have the power of deterring less wealthy competitors, and of establishing a practical monopoly over the unappropriated land behind his location. The system of special surveys, as prescribed by the regulations of the commissioners, is an anti-monopoly system. It secures to moderate capitalists advantages which they could not otherwise obtain. While it enables those who choose to do so to club together to take their lands in the most fertile districts in the province, it gives to those who do not participate in special surveys facilities for occupying any unappropriated land which may be worth occupation in the districts selected by the more opulent settlers.

Another objection urged against the system of special surveys adopted in South Australia is, that it has retarded cultivation. This objection is answered by a reference to the facts. Cultivation has been retarded in South Australia by the slow progress of the ordinary surveys, and it is in the districts in which the special surveys have been taken that cultivation has commenced with the greatest prospect of success.

The system of special appropriation in South Australia prescribed by the regulations of the commissioners should be judged of by its fruits. Under this system the prime difficulty, that of completing the preliminary sales required by the Act, was overcome; the land sales proceeded with a rapidity which placed in the hands of the commissioners a very large emigration fund; and, according to the latest accounts which had reached this country, cultivation was rapidly extending over the most fertile districts of the province; the whole of the coast, from Gulf St. Vincent to the western boundary of the colony has been explored by private adventurers, as well by sea as by land, and an expedition, equipped by public subscription, aided only by a grant of 100 *l.* of public money, had been sent out to explore the interior, and to attempt a passage from South Australia to Port Essington.

Paper, No. 4. - - - - - - - -

South Australian Commissioners to *James Stephen*, Esq. 22 February 1841.

South Australian Colonization Office,
9, Park-street, Westminster, 22 February 1841.

Sir,

We have the honour herewith to transmit, for the information of Lord John Russell, the copy of a despatch and its enclosure, which we have recently received from Colonel Gawler. The enclosure is a statistical return of South Australia for the half year ended the 30th June 1840; and although it has not been prepared under official authority, yet as it contains much detailed information of an interesting character, and is considered by the Governor to be reasonably correct, we have thought it might not be deemed unacceptable at the present moment by Lord John Russell.

We have, &c.
(signed) *Robert Torrens*,
Edward E. Villiers.

James Stephen, Esq.
&c. &c. &c.

STATISTICAL ACCOUNT OF THE

DATE.	Population.	Stock.					Shipping Intelligence.					Number of			
		Sheep.	Cattle.	Horses.	Pigs.	Goats.	Number of Ships arrived in the Colony.	Tonnage.	Number of Ships from Europe.	Ships now in Harbour.	Tonnage.	City of Adelaide.	Port of Adelaide.	Rural	
														District (A.)	District (B.)
1 January to 30 June 1840.	14,000	180,000	15,000	15,000	3,600	400	104	19,399	18	12	3059	1,042	1,053	43,086	21,058

IMPORTS. - - - - - - - - - - - -

DATE.	Brandy.		Rum.		Gin.		Hollands.		Wines.				Porter and Ale.			
	Hogsheads.	Cases.	Hogsheads.	Barrels.	Hogsheads.	Casks.	Hogsheads.	Cases.	Hogsheads.	Pipes.	Casks.	Cases.	Hogsheads.	Barrels.	Casks.	Dozens.
1 January to 30 June 1840.	141	33	355	539	159	384	—	—	339	56	611	513	1,034	87	562	648

DATE.	Potatoes.			Pork.	Beef.	Herrings.	Rice.	Currants.	Raisins.		Salt.	
	Bags.	Tons.	Casks.	Barrels.	Tierces.	Casks.	Bags.	Cask.	Cask.	Boxes.	Bags.	Casks.
1 January to 30 June 1840.	2,627	22	—	694	107	415	5,519	1	1	249	177	6

25,357 Miscellaneous packages containing

- - - - - - - - Paper, No. 4.

(No. 49. Miscellaneous).

Gentlemen, Adelaide, 16 September 1840.

I HAVE the honour to enclose two copies of a statistical return of the province, which has just been sent to me, and which, from the high respectability and intelligence of the firm by which it has been prepared (Nixon & Co., land agents), I think likely to be reasonably accurate.

I have, &c.

To the Colonization Commissioners, &c. &c. &c.

(signed) *George Gawler*, Resident Commissioner.

COLONY OF SOUTH AUSTRALIA.

Acres Selected.																								
Lands.										In Adelaide.			Wages.					Price of Stock.					
											Houses.		Per Diem.			Per Ann.							
	District (C.)	District (D.)	District (E.)	District (F.)	District (G.)	District (H.)	In Places not named.	Total Number of Acres Surveyed.	Special Surveys of 4,000 Acres each.	Churches and Meeting-houses.	Brick or Stone.	Wooden.	Carpenters.	Masons and Brick-layers.	Labourers.	Men Servants.	Women Servants.	Sheep.	Cows.	Oxen.	Horses.	Pigs.	Goats.
16,000	1040	7536	480	—	—	—	359,975	36	8	816	1588	12*s.* to 15*s.*	12*s.* to 14*s.*	6*s.* to 7*s.*	22*l.* to 60*l.*	12*l.* to 25*l.*	25*s.* to 40*s.*	12*l.* to 18*l.*	12*l.* to 20*l.*	30*l.* to 150*l.*	2*l.* to 6*l.*	2*l.* to 6*l.*

- - - - - - - - - - IMPORTS.

Sugar.		Tea.		Coffee.	Butter.	Cheese.			Hams.			Flour.		
Hogsheads.	Bags.	Chests.	Boxes.	Bags.	Firkins.	Cases.	Casks.	Number.	Casks.	Cwt.	Number.	Casks.	Bags.	Tons.
37	7,626	256	262	655	362	53	13	119	7	—	612	1,527	6,158	—

Salt.	Candles.	Soap.	Barley.	Oats.	Sawn Timber.	Deals.	Shingles.	Paling.	Laths.	Slates.	Bricks.
Tons.	Boxes.	Boxes.	Bags.	Bags.	Feet.	No.	No.	No.	No.	No.	No.
105	232	5,306	103	4,303	87,930	4,931	3,966,000	49,531	62,800	26,000	—

merchandize, provisions, implements, &c. &c.

(signed) *H. Nixon & Co.*

Paper, No. 5.

Bills drawn by authority of Colonel Gawler.

A STATEMENT of all BILLS OF EXCHANGE drawn by the Authority of Colonel *Gawler*, since his arrival in the Colony, and which have been either signed or countersigned by himself.

The following Bills were Accepted and Paid at Maturity.

BY WHOM DRAWN.	DATE OF THE BILL.	WHEN PRESENTED.	WHEN DUE.	AMOUNT. £.	s.	d.
	1838:	1839:	1839:			
Osmond Gilles	26 October	6 May	8 July	100	–	–
Ditto	26 –	6 –	8 –	150	–	–
Ditto	26 –	6 –	8 –	150	–	–
Ditto	26 –	6 –	8 –	150	–	–
Ditto	26 –	6 –	8 –	150	–	–
Ditto	26 –	6 –	8 –	200	–	–
Ditto	26 –	6 –	8 –	200	–	–
Ditto	26 –	6 –	8 –	200	–	–
Ditto	5 November	6 –	8 –	250	–	–
Ditto	5 –	6 –	8 –	250	–	–
Ditto	5 –	6 –	8 –	100	–	–
Ditto	26 October	22 –	24 –	100	–	–
Ditto	15 November	25 –	27 –	200	–	–
Ditto	26 October	10 June	12 August	100	–	–
Ditto	15 November	12 –	14 –	200	–	–
Ditto	15 –	12 –	14 –	200	–	–
Ditto	15 –	12 –	14 –	200	–	–
Ditto	15 –	12 –	14 –	100	–	–
Ditto	6 December	12 –	14 –	600	–	–
Ditto	13 –	12 –	14 –	1,000	–	–
	1839:					
Ditto	3 January	28 –	30 –	300	–	–
Ditto	8 –	28 –	30 –	200	–	–
Ditto	21 –	28 –	30 –	1,000	–	–
Ditto	21 –	28 –	30 –	1,000	–	–
Ditto	21 –	28 –	30 –	1,000	–	–
Ditto	18 February	29 –	31 –	300	–	–
Ditto	18 –	2 August	4 October	300	–	–
Ditto	1 April	9 September	11 November	1,000	–	–
Ditto	1 –	9 –	11 –	1,000	–	–
Ditto	6 –	5 October	7 December	500	–	–
Ditto	6 –	5 –	7 –	1,000	–	–
Ditto	6 –	5 –	7 –	500	–	–
Ditto	29 May	17 –	19 –	500	–	–
Ditto	29 –	17 –	19 –	500	–	–
Ditto	29 –	17 –	19 –	500	–	–
Ditto	29 –	17 –	19 –	1,000	–	–
George Gawler, Resident Commissioner.	4 June	26 –	28 November	3,000	–	–
			1840:			
Osmond Gilles	11 July	9 December	10 February	800	–	–
		1840:	*			
Ditto	11 –	17 January	20 March	200	–	–
Ditto	9 –	23 –	26 –	500	–	–
Ditto	9 –	23 –	26 –	500	–	–
Ditto	16 –	23 –	26 –	500	–	–
Ditto	16 –	24 –	27 –	500	–	–
Ditto	16 –	24 –	27 –	500	–	–
Ditto	16 –	23 –	26 –	500	–	–
Ditto	16 –	24 –	27 –	500	–	–
Ditto	12 August	23 –	26 –	400	–	–
Ditto	20 –	23 –	26 –	514	16	3
Ditto	23 –	23 –	26 –	300	–	–
Ditto	23 –	23 –	26 –	300	–	–

* The present Commissioners were appointed 10th January 1840.

Bills drawn by authority of Colonel Gawler.

BY WHOM DRAWN.	DATE OF THE BILL.	WHEN PRESENTED.	WHEN DUE.	AMOUNT. £.	s.	d.
	1839:	1840:	1840:			
Osmond Gilles	21 August	24 January	27 March	300	–	–
Ditto	16 July	25 –	28 –	300	–	–
Ditto	16 –	25 –	28 –	500	–	–
Ditto	16 –	27 –	30 –	500	–	–
Ditto	12 August	27 –	30 –	250	–	–
Ditto	12 –	27 –	30 –	350	–	–
Ditto	21 –	25 –	28 –	700	–	–
Ditto	15 July	1 February	4 April	387	15	8
Ditto	16 –	1 –	4 –	200	–	–
Ditto	16 –	1 –	4 –	500	–	–
Ditto	16 –	1 –	4 –	500	–	–
J. Alexander Jackson	9 October	1 –	4 –	750	–	–
Osmond Gilles	23 August	9 March	11 May	500	–	–
Ditto	23 –	9 –	11 –	500	–	–
George Gawler	5 September	10 –	12 –	1,000	–	–
Osmond Gilles	23 August	11 –	13 –	200	–	–
Ditto	23 –	14 –	16 –	1,000	–	–
J. Alexander Jackson	9 October	6 April	8 June	226	5	4
Ditto	9 –	6 –	8 –	200	–	–
Ditto	9 –	8 –	10 –	1,000	–	–
Ditto	14 November	8 –	10 –	500	–	–
Ditto	15 –	8 –	10 –	231	12	5
Ditto	15 –	8 –	10 –	500	–	–
Ditto	9 October	8 –	10 –	422	13	1
Ditto	9 –	8 –	10 –	133	15	6
Ditto	21 –	8 –	10 –	1,000	–	–
Ditto	21 –	8 –	10 –	500	–	–
Ditto	13 November	8 –	10 –	500	–	–
Ditto	13 –	8 –	10 –	500	–	–
Ditto	15 –	8 –	10 –	379	9	10
Ditto	9 October	8 –	10 –	200	16	4
Ditto	9 –	8 –	10 –	300	–	–
Ditto	9 –	8 –	10 –	350	–	–
Ditto	9 –	8 –	10 –	319	1	3
Ditto	15 November	13 –	15 –	388	17	9
Ditto	9 October	20 –	22 –	437	17	–
Osmond Gilles	13 September	24 –	26 –	500	–	–
Ditto	13 –	24 –	26 –	300	–	–
J. Alexander Jackson	9 October	2 May	4 July	167	9	6
Ditto	9 –	2 –	4 –	59	18	6
Ditto	9 –	5 –	7 –	332	3	6
	1840:					
Ditto	9 January	11 –	13 –	131	19	–
Ditto	10 –	11 –	13 –	226	7	–
Ditto	13 –	11 –	13 –	1,065	18	5
	1839:					
Ditto	22 November	14 –	16 –	500	–	–
Ditto	22 –	14 –	16 –	250	–	–
Ditto	9 October	15 –	17 –	100	–	–
Osmond Gilles	13 September	20 –	22 –	500	–	–
Ditto	13 –	30 –	1 August	500	–	–
Ditto	13 –	30 –	1 –	500	–	–
J. Alexander Jackson	14 November	2 June	4 –	400	–	–
	1840:					
Ditto	27 January	5 –	7 –	116	6	6
Ditto	14 –	5 –	7 –	350	–	–
Ditto	17 –	5 –	7 –	200	–	–
Ditto	27 –	5 –	7 –	259	9	–
Ditto	30 –	8 –	10 –	250	–	–
Ditto	21 –	8 –	10 –	774	–	–
Ditto	27 –	8 –	10 –	50	–	–
Ditto	30 –	9 –	11 –	500	–	–
Ditto	30 –	9 –	11 –	500	–	–
Ditto	10 –	9 –	11 –	200	–	–
Ditto	15 –	9 –	11 –	270	4	–
Ditto	7 –	10 –	12 –	520	–	–
Ditto	11 –	10 –	12 –	500	–	–
Ditto	20 –	10 –	12 –	500	–	–
Ditto	25 –	10 –	12 –	101	18	7
Ditto	27 –	10 –	12 –	1,500	–	–
Ditto	14 –	11 –	13 –	571	9	2
Ditto	16 –	11 –	13 –	160	–	–
Ditto	27 –	11 –	13 –	283	–	–
Ditto	25 –	12 –	14 –	16	2	–

(continued)

Bills drawn by authority of Colonel Gawler.

BY WHOM DRAWN.	DATE OF THE BILL.	WHEN PRESENTED.	WHEN DUE.	AMOUNT. £.	s.	d.
	1840:	1840:	1840:			
J. Alexander Jackson - -	25 January -	12 June -	14 August -	126	6	–
Ditto - - - - -	25 – -	12 – -	14 – -	13	3	6
	1839:					
Ditto - - - - -	22 November	13 – -	15 – -	250	–	–
Ditto - - - - -	29 October	13 – -	15 – -	819	18	–
George Gawler - - - -	25 – -	15 – -	17 – -	500	–	–
J. Alexander Jackson - -	22 November	16 – -	18 – -	500	–	–
Ditto - - - - -	22 – -	15 – -	17 – -	500	–	–
Ditto - - -	22 – -	15 – -	17 – -	500	–	–
Ditto - - - -	13 – -	15 – -	17 – -	300	–	–
	1840:					
Ditto - - - - -	25 January -	16 – -	18 – -	68	2	1
Ditto - - - - -	25 – -	16 – -	18 – -	50	–	–
Ditto - - - - -	14 – -	17 – -	19 – -	10	–	–
Ditto - - - - -	16 – -	22 – -	24 – -	1,000	–	–
Ditto - - - - -	16 – -	22 – -	24 – -	126	7	4
Ditto - - - -	4 February	22 – -	24 – -	300	–	–
Ditto - - - - -	5 – -	22 – -	24 – -	149	11	9
Ditto - - - - -	14 January -	23 – -	25 – -	280	–	–
Ditto - - - - -	27 – -	23 – -	25 – -	197	–	11
Ditto - - - - -	31 – -	23 – -	25 – -	295	9	6
Ditto - - - - -	10 – -	24 – -	26 – -	600	–	–
Ditto - - - - -	25 – -	24 – -	26 – -	16	11	6
Ditto - - - - -	10 – -	26 – -	28 – -	288	5	9
Ditto - - - - -	9 – -	27 – -	29 – -	100	–	–
Ditto - - - - -	23 – -	27 – -	29 – -	420	–	–
Ditto - - - -	10 – -	29 – -	31 – -	86	17	7
	1839:					
Ditto - - - - -	29 October	6 July -	7 Sept. -	500	–	–
Ditto - - - - -	29 – -	6 – -	7 – -	500	–	–
	1840:					
Ditto - - - - -	10 January -	13 – -	14 – -	300	–	–
Ditto - - - -	30 – -	14 – -	15 – -	500	–	–
Ditto - - - -	30 – -	14 – -	15 – -	500	–	–
Ditto - - - - -	27 – -	15 – -	16 – -	300	–	–
Ditto - - - - -	25 – -	17 – -	18 – -	300	–	–
Ditto - - - - -	11 February	20 – -	21 – -	724	8	8
Ditto - - - - -	27 January -	22 – -	23 – -	79	6	3
Ditto - - - - -	25 –	27 – -	28 – -	339	18	–
Ditto - - - -	27 – -	27 – -	28 – -	70	–	–
Ditto - - - -	27 – -	25 – -	26 – -	750	–	–
Ditto - - - - -	30 – -	27 – -	28 – -	500	–	–
Ditto - - - - -	30 – -	27 – -	28 – -	500	–	–
Ditto - - - -	1 February	28 – -	29 – -	100	–	–
Ditto - - - - -	4 – -	28 – -	29 – -	119	15	–
Ditto - - - - -	7 – -	27 – -	28 – -	103	8	–
Ditto - - - -	13 – -	27 – -	28 – -	338	16	–
Ditto - - - - -	13 – -	27 – -	28 – -	372	18	–
Ditto - - - - -	21 – -	27 – -	28 – -	806	17	–
Ditto - - - - -	25 – -	27 – -	28 – -	466	15	–
Ditto - - - - -	25 – -	27 – -	28 – -	283	5	–
Ditto - - - - -	26 – -	27 – -	28 – -	100	–	–
Ditto - - - - -	25 – -	29 – -	30 – -	100	–	–
Ditto - - - - -	29 – -	29 – -	30 – -	100	–	–
Ditto - - - -	29 – -	29 – -	30 – -	350	–	–
Ditto - - - - -	29 – -	29 – -	30 – -	150	–	–
Ditto - - - - -	4 – -	31 – -	2 October	340	3	8
Ditto - - - - -	2 March -	3 August -	5 – -	500	–	–
Ditto - - - -	3 February	20 – -	22 – -	105	–	–
			£.	71,597	10	1

The following Bills have not been Accepted:

	1840:	1840:	1840:	£.	s.	d.
J. Alexander Jackson - - -	16 March -	24 August -	26 October	180	6	–
Ditto - - - - -	16 – -	24 – -	26 – -	272	9	4
Ditto - - - - -	6 April -	24 – -	26 – -	260	–	–
Ditto - - - - -	11 March -	24 – -	26 – -	500	–	–
Ditto - - - - -	31 – -	24 – -	26 – -	349	5	–
Ditto - - - -	1 April -	24 – -	26 – -	400	–	–
Ditto - - - - -	1 – -	24 – -	26 – -	450	–	–
Ditto - - - - -	11 March -	24 – -	26 – -	500	–	–

Bills drawn by authority of Colonel Gawler.

BY WHOM DRAWN.	DATE OF THE BILL.	WHEN PRESENTED.	WHEN DUE.	AMOUNT.
	1840:	1840:	1840:	£. s. d.
J. Alexander Jackson	30 March	26 August	28 October	500 – –
Ditto	30 –	26 –	28 –	200 – –
Ditto	30 –	26 –	28 –	200 – –
Ditto	31 –	26 –	28 –	380 – –
Ditto	4 April	27 –	29 –	126 – –
Ditto	26 February	31 –	2 Nov.	300 – –
Ditto	21 January	3 Sept.	5 –	130 – –
Ditto	6 March	4 –	6 –	147 15 7
Ditto	3 April	4 –	6 –	300 – –
Ditto	3 –	4 –	6 –	180 – –
Ditto	4 –	5 –	7 –	600 – –
Ditto	21 March	7 –	9 –	76 16 11
Ditto	29 February	14 –	16 –	150 – –
Ditto	29 –	14 –	16 –	150 – –
Ditto	29 –	14 –	16 –	150 – –
Ditto	26 March	15 –	17 –	299 10 –
Ditto	26 –	18 –	20 –	278 16 3
Ditto	2 –	22 –	24 –	143 4 6
Ditto	2 –	22 –	24 –	114 1 –
Ditto	2 –	22 –	24 –	89 13 9
Ditto	17 –	24 –	26 –	300 – –
Ditto	17 –	24 –	26 –	400 – –
Ditto	5 –	24 –	26 –	758 12 –
Ditto	5 –	24 –	26 –	200 – –
Ditto	10 –	24 –	26 –	3,000 – –
Ditto	31 –	24 –	26 –	100 – –
Ditto	6 April	24 –	26 –	50 – –
Ditto	5 March	24 –	26 –	80 – –
Ditto	1 April	25 –	27 –	120 – –
Ditto	26 March	25 –	27 –	41 15 8
Ditto	2 –	28 –	30 –	97 12 6
Ditto	26 –	28 –	30 –	43 14 7
Ditto	31 –	28 –	30 –	275 16 4
Ditto	4 April	28 –	30 –	1,000 – –
Ditto	24 –	28 –	30 –	194 8 –
Ditto	26 March	29 –	1 Dec.	40 19 3
Ditto	28 –	29 –	1 –	37 12 10
Ditto	26 –	29 –	1 –	158 17 11
Ditto	26 –	29 –	1 –	100 13 11
Ditto	26 –	29 –	1 –	43 2 7
Ditto	26 –	1 October	3 –	261 5 10
Ditto	4 –	2 –	4 –	30 – –
Ditto	25 April	3 –	5 –	500 – –
Ditto	15 –	9 –	11 –	250 – –
Ditto	5 March	21 –	23 –	350 – –
Ditto	5 –	21 –	23 –	149 – –
Ditto	25 April	21 –	23 –	500 – –
Ditto	25 –	21 –	23 –	500 – –
Ditto	25 –	21 –	23 –	500 – –
Ditto	25 –	21 –	23 –	500 – –
Ditto	21 –	22 –	24 –	1,200 – –
Ditto	11 March	24 –	26 –	500 – –
Ditto	6 April	26 –	28 –	400 – –
Ditto	15 –	26 –	28 –	500 – –
Ditto	4 May	26 –	28 –	549 – –
Ditto	15 April	26 –	28 –	500 – –
Ditto	15 –	29 –	31 –	500 – –
Ditto	15 –	29 –	31 –	500 – –
Ditto	15 –	29 –	31 –	100 – –
Ditto	21 –	29 –	31 –	103 – 10
Ditto	16 –	29 –	31 –	138 7 5
Ditto	18 –	9 Nov.	11 January	500 – –
Ditto	29 May	9 –	11 –	600 – –
Ditto	18 –	9 –	11 –	300 – –
Ditto	18 April	9 –	11 –	500 – –
Ditto	31 March	9 –	11 –	203 4 –
Ditto	9 April	9 –	11 –	168 11 11
Ditto	9 –	9 –	11 –	133 2 11
Ditto	15 –	9 –	11 –	150 – –
Ditto	23 –	9 –	11 –	530 – –
Ditto	25 –	9 –	11 –	500 – –
Ditto	6 May	9 –	11 –	250 19 –
Ditto	8 –	9 –	11 –	179 8 9
Ditto	14 –	9 –	11 –	255 5 –
Ditto	19 June	9 –	11 –	170 – –
Ditto	20 –	9 –	11 –	147 1 11

(continued)

Bills drawn by authority of Colonel Gawler.

BY WHOM DRAWN.	DATE OF THE BILL.	WHEN PRESENTED.	WHEN DUE.	AMOUNT. £. s. d.
	1840:	1840:	1840:	
J. Alexander Jackson	15 April	10 November	12 January	500 – –
Ditto	15 –	10 –	12 –	500 – –
Ditto	4 –	10 –	12 –	189 – –
Ditto	18 –	10 –	12 –	350 – –
Ditto	24 –	10 –	12 –	150 – –
Ditto	9 May	10 –	12 –	82 15 2
Ditto	27 April	10 –	12 –	163 – 1
Ditto	27 –	10 –	12 –	59 2 7
Ditto	28 –	10 –	12 –	140 – –
Ditto	20 June	10 –	12 –	50 – –
Ditto	9 May	12 –	14 –	450 – –
Ditto	16 April	12 –	14 –	500 – –
Ditto	16 –	12 –	14 –	500 – –
Ditto	23 June	13 –	15 –	304 11 –
Ditto	11 July	13 –	15 –	98 7 6
Ditto	19 June	13 –	15 –	155 3 –
Ditto	26 –	13 –	15 –	300 – –
Ditto	5 May	16 –	18 –	100 – –
Ditto	6 –	18 –	20 –	65 12 6
Ditto	26 June	24 –	26 –	300 – –
Ditto	26 –	24 –	26 –	150 – –
Ditto	23 –	24 –	26 –	174 1 –
Ditto	8 July	24 –	26 –	500 – –
Ditto	8 –	24 –	26 –	500 – –
Ditto	29 June	25 –	27 –	500 – –
Ditto	29 –	25 –	27 –	500 – –
Ditto	29 –	25 –	27 –	500 – –
Ditto	29 –	25 –	27 –	500 – –
Ditto	30 April	25 –	27 –	92 8 9
Ditto	16 June	25 –	27 –	120 – –
Ditto	23 –	25 –	27 –	100 – –
Ditto	24 –	25 –	27 –	449 5 –
Ditto	2 July	25 –	27 –	500 – –
Ditto	2 –	25 –	27 –	500 – –
Ditto	2 –	25 –	27 –	500 – –
Ditto	24 June	26 –	28 –	800 – –
Ditto	15 April	28 –	30 –	500 – –
Ditto	23 June	30 –	1 February	100 – –
Ditto	23 –	30 –	1 –	100 – –
Ditto	24 –	30 –	1 –	100 – –
Ditto	24 –	30 –	1 –	100 – –
Ditto	15 –	1 December	2 –	200 – –
Ditto	15 –	1 –	2 –	100 – –
Ditto	15 –	1 –	2 –	116 5 –
Ditto	19 –	1 –	2 –	583 15 –
Ditto	22 April	1 –	2 –	300 – –
Ditto	16 June	1 –	2 –	350 – –
Ditto	14 August	14 –	15 –	500 – –
Ditto	21 –	14 –	15 –	315 10 6
Ditto	14 –	14 –	15 –	341 14 –
Ditto	1 –	17 –	18 –	340 – –
Ditto	13 –	17 –	18 –	600 – –
Ditto	5 June	22 –	23 –	186 3 –
Ditto	26 –	5 January	9 March	235 7 –
Ditto	26 –	5 –	9 –	200 – –
Ditto	16 –	5 –	9 –	100 – –
Ditto	26 –	5 –	9 –	200 – –
Ditto	26 –	5 –	9 –	200 – –
Ditto	26 –	5 –	9 –	200 – –
Ditto	26 –	5 –	9 –	200 – –
Ditto	26 –	5 –	9 –	200 – –
Ditto	8 –	5 –	9 –	500 – –
Ditto	20 –	5 –	9 –	400 – –
Ditto	23 –	5 –	9 –	274 17 6
Ditto	2 July	5 –	9 –	500 – –
Ditto	2 –	6 –	10 –	500 – –
Ditto	6 –	6 –	10 –	800 – –
Ditto	2 –	7 –	11 –	500 – –
Ditto	23 June	8 –	12 –	140 2 2
Ditto	2 July	9 –	13 –	500 – –
	1839:			
His Excellency Col. Geo. Gawler	25 October	9 –	13 –	500 – –
	1840:			
J. Alexander Jackson	3 April	26 –	30 –	25 – –
Ditto	24 June	1 February	5 April	465 10 –

Bills drawn by authority of Colonel Gawler.

BY WHOM DRAWN.	DATE OF THE BILL.	WHEN PRESENTED.	WHEN DUE.	AMOUNT. £.	s.	d.
	1840:	1840:	1840:			
J. Alexander Jackson	6 August	8 February	12 April	476	4	5
Ditto	26 —	8 —	12 —	546	8	—
Ditto	2 October	8 —	12 —	600	—	—
Ditto	9 —	8 —	12 —	600	—	—
Ditto	14 July	11 —	15 —	324	2	6
Ditto	6 August	11 —	15 —	127	3	9
Ditto	18 April	15 —	19 —	111	2	—
Ditto	26 June	15 —	19 —	3,000	—	—
Ditto	11 July	15 —	19 —	66	6	—
Ditto	23 —	15 —	19 —	121	1	—
Ditto	28 —	15 —	19 —	90	—	—
Ditto	1 August	15 —	19 —	229	16	—
Ditto	3 —	15 —	19 —	395	9	4
Ditto	15 —	15 —	19 —	500	—	—
Ditto	18 —	15 —	19 —	400	—	—
Ditto	18 —	15 —	19 —	371	11	1
Ditto	27 —	15 —	19 —	436	19	—
Ditto	28 —	15 —	19 —	1,020	1	8
Ditto	16 Sept.	15 —	19 —	872	—	4
Ditto	1 —	16 —	20 —	200	—	—
Ditto	5 May	16 —	20 —	200	—	—
Ditto	5 —	16 —	20 —	150	—	—
Ditto	1 Sept.	16 —	20 —	600	—	—
Ditto	20 June	18 —	22 —	52	18	1
Ditto	20 —	18 —	22 —	67	19	5
Ditto	5 August	18 —	22 —	100	—	—
Ditto	26 —	18 —	22 —	1,000	—	—
Ditto	13 —	19 —	23 —	160	—	—
Ditto	18 —	19 —	23 —	165	1	—
Ditto	24 June	20 —	24 —	121	3	—
Ditto	13 August	20 —	24 —	279	2	10
Ditto	18 —	20 —	24 —	400	—	—
Ditto	14 Sept.	20 —	24 —	500	—	—
Ditto	5 August	22 —	26 —	100	—	—
Ditto	5 —	22 —	26 —	150	—	—
Ditto	7 —	22 —	26 —	1,500	—	—
Ditto	7 —	22 —	26 —	1,500	—	—
Ditto	7 —	22 —	26 —	1,000	—	—
Ditto	11 —	22 —	26 —	280	5	—
Ditto	4 —	23 —	27 —	25	8	6
			£.	69,247	5	2

N.B.—By the numbers on the Bills it appears there are 33 Bills not yet presented.

	£.	s.	d.
TOTAL of Bills drawn by the authority of Col. Gawler since his arrival in the colony, and which have been accepted and paid at maturity	71,597	10	1
TOTAL of Bills drawn by the authority of Col. Gawler since his arrival in the colony, which have been presented to the Commissioners for acceptance, but which have neither been accepted nor paid	69,247	5	2
£.	140,844	15	3

4 March 1841.

Joseph Jackson,
Accountant.

Paper, No. 7.

(1.)—Copy of a LETTER from *Rowland Hill*, Esq. to *J. Stephen*, Esq.

South Australian Colonial-office, Adelphi-terrace,
3 April 1837.

Sir,

Rowland Hill, Esq. to J. Stephen, Esq. 3 April 1837.

I am directed by the Colonization Commissioners for South Australia to acknowledge the receipt of your letter of the 23d ult., and to submit for the information of Lord Glenelg the explanations required by his Lordship on the several topics to which your letter refers.

With respect to the renewed application contained in my letter of the 3d ult. for an answer to the chairman's letter to Lord Glenelg of the 17th August, the commissioners beg to observe that, until the receipt of your letter of the 23d ult., they were not aware that the financial question involved in the chairman's letter had been considered by Lord Glenelg as set at rest.

The main question mooted in the chairman's letter was not whether, under the existing Act of Parliament, the custody of the revenue fund was vested in the commissioners, but whether it was the intention of the Secretary of State for the Colonies that the commissioners should be permanently charged with the financial administration of the new colony, so as to carry out the self-supporting principle upon which it was founded, or that they should have their functions limited to disposing of the public lands and conducting the emigration.

It did not occur to the commissioners that the decision by the law officers of the Crown, of the question respecting the present custody of the revenue fund, was considered as involving the decision of the further question regarding the limitation or extension of the powers of the commission, and therefore they renewed their application for a reply to the chairman's letter of the 17th August, in order that they might regulate their proceedings in conformity with the intentions of the Secretary of State. Had Lord Glenelg been of opinion that it would be expedient to limit the functions of the commissioners to the disposal of the public land, and to conducting the emigration, the commissioners would have gladly resigned all more responsible duties, and would, without question or discussion, have disposed of the revenue fund placed in their custody by the Act of Parliament, in such manner as the Secretary of State for the Colonies and the Lords of the Treasury might suggest. But though the commissioners would have preferred this arrangement, yet they will not shrink from nor evade the more responsible duty of administering the finances of the colony, and carrying out the self-supporting principle, now that they understand that Lord Glenelg looks to them for the redemption of the pledge given to Parliament, that the new colony should not involve the mother country in expense.

The only object of the commissioners in renewing their application for a reply to their chairman's letter was, to ascertain the precise nature and extent of the duties which it was intended they should discharge; and, this object attained, they will endeavour to execute the functions delegated to them to the best of their ability, and, as they venture to hope, to the satisfaction of the authorities under which they serve.

With respect to the draft of the Bill for amending the South Australian Act, I am directed to state that when they received, in answer to their application of the 18th February 1836, your letter of the 25th of the same month, stating that Lord Glenelg desired that the draft of the Bill for effecting this object should be prepared by them, the commissioners employed Mr. Senior and Mr. Coulson to prepare and settle the draft, and forwarded it for Lord Glenelg's consideration on the 1st of June. The draft now under consideration is the same as that before submitted, with this exception, namely, that all the clauses of the original draft not required in order to secure financial facilities and economy have been omitted, in conformity with Lord Glenelg's desire, that in the present session a short declaratory Act upon financial points should alone be passed.

The first clause of the proposed Bill is intended to give the commissioners a more direct control over their treasurer in this country, in order that they may have power (which does not appear to be distinctly given to them by the existing Act), of requiring him to keep the balances in his hands at a low amount, and of thus reducing the extent of his responsibility and securities, and, consequently, of his remuneration. This clause was drawn before any reference had been made to the law officers of the Crown, with respect to the custody of the revenue fund; and if the result of that reference be to remove the doubt whether the commissioners have authority to require their treasurer to invest his growing balances in Government securities, and in the hands of trustees approved by the Lords of the Treasury, the first clause may, without detriment, be wholly omitted.

The object of the second clause is not to authorize the commissioners to borrow money at a higher rate of interest than that prescribed by the South Australian Act; but, on the contrary, is to enable the commissioners to effect an arrangement for reducing the rate of interest on the money borrowed, and to be borrowed, from 10 per cent. to 7 per cent.

The operation of the clause will be explained by the enclosed copy of the proposed contract with Mr. Wright, to all the leading features of which that gentleman has already assented. By this it will be seen, that it is proposed that a 6 per cent. stock shall be created, the commissioners receiving, in cash, 85 *l.* for every 100 *l.* stock. By this arrangement the interest to be paid on the money actually received will be, as nearly as possible, 7 per cent. On the whole loan of 41,000 *l.*, together with a loan of 9,000 *l.* already raised

on

on similar terms, the immediate reduction of interest, under the proposed arrangement, would amount to about 1,500*l.* per annum. If the commissioners should pay off the loan at the expiration of 20 years, it is true that they would be obliged to give 100*l.* for every 85*l.* received; but estimating the present value of this addition, it appears that the actual saving to the colony, during the whole term of 20 years, would be about 2½ per cent. per annum, after paying this increased sum.

By the financial arrangement which the commissioners have made, and which the second clause of the draft gives them power to complete, the colony, should the loan be paid off at the expiration of 20 years, will have saved, during that period, 2½ per cent. per annum on 50,000*l.*

The fourth clause of the draft would have been important, had the Bill for amending the South Australian Act been passed last session, as originally proposed; because then the commissioners had at their disposal a large and unemployed emigration fund, the lending of which to the revenue fund would have enabled them to defer raising money on revenue bonds, and consequently to effect a considerable saving of interest. But, at present, the South Australian Company, and other capitalists, are urging the commissioners to send out so large a supply of emigrant labourers, that the whole of the emigration fund at present at their disposal will be speedily exhausted.

Under these altered circumstances, the power of making temporary loans from one fund to the other becomes comparatively unimportant; and though the commissioners do not conceive that any difficulty would be experienced in applying the loans raised on revenue bonds in replacing, to the emigration fund, the sums withdrawn from it and lent to the revenue fund, yet they are not now anxious, on the ground of immediate economy, that the clause authorizing the borrowing from one fund to another should be retained.

The grounds upon which the commissioners recommend the fourth clause are these: The South Australian Act requires that the new colony shall defray its own expenses, but does not require that it should contribute towards the expenses of the mother country. Now, if any sums raised on South Australian securities, and charged upon the future revenues of the colony, are paid into the British Treasury, on account of the stamps upon such securities, it is clear that the sums thus paid will be deducted from the revenue of the colony, and added to that of the mother country.

The stamp duty upon South Australian bonds is, in its operation, a tribute levied by England upon the province of South Australia; and the commissioners have therefore prepared the fourth clause of the draft, in order to effect its abolition.

The object of the fifth clause is to give to the acts of the commissioners, done during the period which elapsed between the day on which they were gazetted and that on which their actual appointment took place, the same validity which those acts would have possessed had the appointment and the gazetting been coincident. The commissioners would be desirous to have the wording of the clause so corrected as to effect this object, and nothing more.

The commissioners beg to explain the grounds upon which they have recommended the important alteration which the sixth clause of the draft is intended to effect.

The South Australian Act provided, that before any step towards the establishment of the projected colony should be taken, 35,000*l.* should be advanced for the purchase of land, and that a loan of 20,000*l.* should be raised on the security of colonial revenue bonds, and placed at the disposal of Government. By these provisions of the Act, Government obtained a double guarantee; a guarantee against rash adventure on the part of the intending emigrants, and a guarantee against errors of judgment and mismanagement on the part of the commissioners. The payment in advance of 35,000*l.* for the purchase of land in a colony yet to be founded, was a guarantee that amongst the intending colonists there was no deficiency of capital; and the placing, at the risk of the subscribers to the South Australian revenue bonds of 20,000*l.* in the hands of Government, was a guarantee that no mismanagement by the Colonization Commissioners, of the emigration fund placed at their disposal could have the effect of involving the mother country in expense, because in the event of such mismanagement on the part of the commissioners as might render it necessary for the Government to interfere, for the support or removal of emigrant labourers sent out through the miscalculation of the commissioners, the security fund would have enabled the Government to effect those necessary objects without expense to the public.

The commissioners are very far from questioning the expediency of the original establishment of the guarantee fund, as the means of protecting the Government against contingent expenses; they merely contend, that as the danger against which that fund was intended to provide no longer exists, the continuance of the fund will render the colony less able than it otherwise would be to defray its own expenses, and must consequently be creative of the danger against which it was intended to provide.

The pledge given to Parliament comprised two distinct conditions: First, that the colony of South Australia should be established without involving the mother country in expense; and, secondly, that it should be maintained without involving the mother country in expense. The first of these conditions has now been fulfilled; the danger lest the planting of the colony should require an advance from the public purse no longer exists; and, therefore, as far as regards protection from such danger, the guarantee fund is no longer necessary. With respect to this fund the only question for consideration now is, whether the keeping of it up will secure the fulfilment of the second condition implied in the pledge . . . . to Parliament by enabling the colony now established to defray its own expenses. On this question the commissioners submit the following considerations.

Rowland Hill, Esq. to J. Stephen, Esq. 3 April 1837.

The colony of South Australia cannot now be recalled; the settlers who have purchased land under the sanction of an Act of Parliament cannot be ejected, nor can they be left without a Government and without protection. Under these circumstances one of two things is inevitable, either the revenue of the colony must be made equal to the expenditure of the colony, or else a portion of its expenditure must be defrayed out of the public purse. Now the guarantee fund adds nothing to the revenue of the colony, while it increases the expenditure of the colony by the balance of interest upon 20,000 *l.* It is evident, therefore, that this fund has now become creative of the danger against which it was intended to provide.

The difference between the interest which the commissioners pay upon the guarantee fund, and the interest which they receive from the Government securities in which it is invested, amounts to about 1,400 *l.* per annum. Should the revenue of the colony just equal the expenditure required for keeping up its necessary establishment, there would be no charge upon the public purse if there should be no guarantee fund; while if the guarantee fund should be kept up, a charge of 1,400 *l.* per annum would be thrown upon the mother country. It is for the reasons which they have now endeavoured to state that the commissioners are solicitous that, in the amended Act, the provision requiring the keeping up of the guarantee fund should be repealed.

With respect to Lord Glenelg's desire that the proposed measure should be preceded and accompanied by some estimate of the charge which it is designed to incur, and of the ways and means by which it can be provided for, the commissioners direct me to state that by the proposed amendments in the Act they contemplate that a reduction to the amount of about 3,000 *l.* per annum will be effected upon the colonial expenditure.

The estimate given in my letter of the 16th ult. was calculated as nearly as possible upon the actual charges incurred on account of the colony during the preceding year; but as it was made before the recent demand for an enlarged emigration had arisen, it is possible that the cost of conducting the emigration department may have been understated.

The South Australian Company have made a considerable addition to their capital, and are urging the commissioners to furnish them with a large supply of labour. A South Australian Protestant Society has been formed in Ireland, and has applied to the commissioners for an extensive allotment of land on which to plant a community, while the original sections of land, which the commissioners sold at the rate of 12 *s.* per acre, have, on some occasions, been resold by the first purchasers for 24 *s.* per acre; under these circumstances the commissioners apprehend that they may have to conduct a much more extensive emigration during the present year than that which they conducted during the past year. Should this be the case, an increased charge must be incurred, either under the head of salaries or under that of remuneration for special services.

As to the ways and means by which the charges upon the colony may be provided for, they consist, in the first place, of the loans which the commissioners are authorized to raise on the security of the future revenues of the colony, and secondly, of those future revenues themselves; but with respect to the future revenues, it is impossible that the commissioners should now be able to furnish any estimates likely to prove correct; all they can do is, to suggest the means of curtailing unproductive expenditure, and to perform, to the best of their ability, and to the extent of the means with which they may be furnished, the executive duties of planting the colony on a scale sufficiently extensive to enable it at an early period to defray its own expenses. If the productive expenditure incurred for emigration should be greater in the present than in the preceding year, the commissioners conceive that the incurring of this additional charge will create the ways and means by which it may be provided for.

The anxiety of the commissioners to furnish the most complete explanation in their power upon the several points connected with the proposed amendments in the South Australian Act, has caused this letter to extend to a length which the commissioners regret, and for which they beg to apologize.

I have, &c.
(signed) *Rowland Hill.*

MEMORANDUM of Agreement between the *Colonization Commissioners for South Australia* and Mr. *John Wright*, with reference to a further Loan of 41,000 *l.*

1. Mr. Wright engages to raise for the commissioners a loan of 41,000 *l.* sterling, to be paid by instalments, as after-mentioned, for which amount the commissioners engage to deliver colonial revenue securities under the authority of the Act 4 & 5 Will. 4, c. 95.

2. The loan to bear interest at the rate of 10 per cent. per annum, the commissioners having the option to convert it into six per cent. stock at the rate of 100 *l.* of stock for every 85 *l.* received, as soon as they are empowered so to do by Parliament.

3. Periods of payment to be as follows: Fifteen per cent. on the 15th of April next, the remainder to be paid by instalments, not exceeding 10 per cent. each, when required by the commissioners, at such time and place as they shall appoint, upon their giving six weeks' notice to Mr. Wright of each instalment called for. (It is understood that the commissioners will give a longer notice when they are able so to do.)

4. Scrip receipts to be given for each instalment. On completion of all instalments, bonds to be given in exchange for scrip receipts; or when 50 per cent. has been paid, the holders

holders of scrip receipts to have the option of claiming bonds for any payments exceeding 20 per cent., leaving 20 per cent. as a security for the payment of the remaining instalments. Rowland Hill, Esq. to J. Stephen, Esq. 3 April 1837.

5. Interest at 10 per cent. per annum to be paid on instalments until the commissioners shall give notice to Mr. Wright of their intention to convert the loan into a six per cent. stock, and from thenceforth seven per cent. to be paid till the subscription is complete. The interest to be paid half-yearly, viz. on the 15th January and 15th July.

6. Bonds, if for a 10 per cent. loan, to run 10 years, and not to be paid off within that time, and if for a six per cent. loan at 85 per cent., to run 20 years from their respective dates. To be for not less than 100 *l.* each, and persons desiring to have them for less than 500 *l.* each, to pay the extra stamp duty. Upon conversion of the loan into a six per cent. stock, the holders to pay or receive fractional sums, as the commissioners may appoint, in exchanging their bonds.

7. Mr. Wright's responsibility to extend only to the payment of the first instalment of 15 per cent., and if default shall be made in payment of any sum called by the commissioners after such notice as before mentioned, then the payment or payments before made, and all interest due thereon, will be forfeited to the commissioners, and the engagement to deliver bonds to be void, but bonds actually issued to remain valid.

Mr. Wright to receive a commission of one per cent. for negotiating the loan, to be paid on each instalment as received.

8. No other monies to be raised by the commissioners on the South Australian colonial revenue securities until the instalments under the present contract have all been paid.

(2.)—Copy of a LETTER from *Rowland Hill*, Esq. to *J. Stephen*, Esq.

South Australian Colonial-office, Adelphi-terrace,
14 April 1837. Rowland Hill, Esq. to J. Stephen, Esq. 14 April 1837

Sir,

I am directed by the Colonization Commissioners for South Australia to acquaint you, for the information of Lord Glenelg, that they have completed the contract with Mr. Wright for a loan of 41,000 *l.* on the terms stated in the enclosed copy of the agreement (which are substantially the same as those named in my letter of the 3d inst.); and to request you will submit to his Lordship the great importance of applying to Parliament for authority to convert the loan into a six per cent. stock with the least possible delay.

I am also directed to acquaint you, for the information of Lord Glenelg, that in consequence of the greatly increased number of persons desirous of emigrating to the colony, the commissioners are making arrangements for despatching two vessels from the port of London, one at the beginning of May, the other early in June, and a third from the Clyde also in June. Further, that in all probability they shall despatch one or more vessels from Ireland in the course of the summer; the deputation from the South Australian Protestant Association, mentioned in my letter of the 3d instant, having stated, at a meeting of the Board on the 12th instant, that their subscription list was nearly completed, and that in all probability at least 500 members, with an aggregate capital of about 100,000 *l.*, would be prepared to depart about August.

I have, &c.
(signed) *Rowland Hill.*

Memorandum of Agreement between the *Colonization Commissioners for South Australia* and Mr. *John Wright*, with reference to a further Loan of 41,000 *l.*

1. Mr. Wright engages to raise for the commissioners a loan of 41,000 *l.* sterling, to be paid by instalments as after mentioned, for which amount the commissioners engage to deliver colonial revenue securities under the authority of the Act 4 & 5 Will. 4, c. 95.

2. The loan to bear interest at the rate of 10 per cent. per annum, the commissioners having the option to convert it into 6 per cent. stock, at the rate of 100 *l.* of stock for every 85 *l.* received, as soon as they are empowered so to do by Parliament.

3. Periods of payment to be as follows: 15 per cent. on the 15th of April instant, the remainder to be paid by instalments, not exceeding 10 per cent. each, when required by the commissioners, at such time and place as they shall appoint, upon their giving six weeks' notice to Mr. Wright of each instalment called for. (It is understood that the commissioners will give a longer notice when they are able so to do.)

4. Scrip receipts to be given for each instalment. On completion of all instalments, bonds to be given in exchange for scrip receipts, or when 50 per cent. has been paid, the holders of scrip receipts to have the option of claiming bonds for any payments exceeding 20 per cent., leaving 20 per cent. as a security for the payment of the remaining instalments.

5. Interest at 10 per cent. per annum to be paid on instalments until the commissioners shall give notice to Mr. Wright of their intention to convert the loan into a six per cent. stock, and from thenceforth seven per cent. to be paid until the subscription is complete. The interest to be paid half-yearly, viz. on the 15th January and 15th July.

6. Bonds, if for a 10 per cent. loan, to run 10 years, and not to be paid off within that time, and if for a six per cent. loan at 85 per cent., to run 20 years from their respective dates.

Rowland Hill, Esq. to J. Stephen, Esq. 14 April 1837.

dates. To be for not less than 100 *l.* each, and persons desiring to have them for less than 500 *l.* each, to pay the extra stamp duty.

Upon conversion of the loan into a six per cent stock, the holders to pay or receive fractional sums, as the commissioners may appoint, on exchanging their bonds.

7. Mr. Wright's responsibility to extend only to the payment of the first instalment of 15 per cent.; and if default shall be made in payment of any sum called by the commissioners, after such notice as before mentioned, then the payment or payments before made, and all interest due thereon, to be forfeited to the commissioners, and the engagement to deliver bonds to be void, but bonds actually issued to remain valid.

Mr. Wright to receive a commission of one per cent. for negotiating the loan, to be paid one-half out of the first instalment, and the remainder on the payment of the last instalment.

8. No other monies to be raised by the commissioners on the South Australian colonial revenue securities, until the instalments under the present contract have all been called for.

6, Adelphi Terrace, 5 April 1837.

(3.)—COPY of a LETTER from *J. Stephen*, Esq. to *The Colonization Commissioners.*

Gentlemen, Colonial-office, 26 April 1837.

J. Stephen, Esq. to the Colonization Commissioners. 26 April 1837.

WITH reference to your secretary's letters of the 3d and 14th instant, I am directed by Lord Glenelg to acquaint you that his Lordship proposes immediately to signify to the Lords of the Treasury his opinion that there is no valid objection to the introduction into Parliament of a Bill, having for its objects, first, the conversion into six per cent. stock of the loans which you propose to raise for executing the objects of your commission; and, secondly, for authorizing His Majesty's Government to dispense with the maintenance of the guarantee fund. These, however, are questions purely financial, and which, as Lord Glenelg apprehends, belong exclusively to the Lords of the Treasury to decide upon. His Lordship proposes, therefore, to request the Board of Treasury to enter into direct communication with you as to the terms of the intended Act of Parliament, assuming it to be confined to those objects alone; and Lord Glenelg would further wish that you would communicate to the Lords of the Treasury a statement of the reasons which appear to you to recommend the proposed alteration in the law.

Lord Glenelg is of opinion that this will be a more convenient course than if he should transmit to the Board of Treasury copies of your correspondence with this department on the subject, as that correspondence has in its progress involved other questions, the consideration of which is not at present necessary, and which might render it more difficult for their Lordships to appreciate correctly the precise topics to which alone their attention is now to be called.

I have, &c.

(signed) *James Stephen.*

(4.)—COPY of a LETTER from *J. Stephen*, Esq. to *A. Y. Spearman*, Esq.

Sir, Downing-street, 26 April 1837.

Stephen, Esq. to Y. Spearman, q. 26 April 1837.

I AM directed by Lord Glenelg to acquaint you, for the information of the Lords Commissioners of the Treasury, that his Lordship has been engaged in a protracted correspondence with the Colonization Commissioners of South Australia, on the subject of certain amendments which they have been desirous to have made in the Act of Parliament under which they are acting. In the result of that correspondence Lord Glenelg has seen sufficient reason to adopt the conclusion that two changes in the law are desirable; of these the first would enable the commissioners to create a stock, bearing an interest of six per cent. per annum, in satisfaction of the loans which by the Act of Parliament they have been authorized to raise.

The second would authorize His Majesty's Government to dispense with the further maintenance of the guarantee fund.

Lord Glenelg abstains from entering into an explanation of the reasons which have induced him to adopt these conclusions, partly because the questions, being entirely financial, would seem to fall within the peculiar province of the Lords of the Treasury, and also because the explanation of the commissioners, by which his Lordship's judgment in this case has been influenced, are connected in the letters with the discussion of many other topics irrelevant to these questions; and if the whole of the correspondence should be transmitted to the Lords of the Treasury, it would impose on them the necessity of reading much that is unimportant with a view to the decision now to be formed.

The difficulty of selecting from that correspondence the passages which bear directly upon the present suggestions, appears to Lord Glenelg almost insuperable. His Lordship would therefore suggest to the Lords Commissioners the expediency of their receiving directly from the Colonization Commissioners of South Australia, the statements they have to make in support of these propositions; and his Lordship has informed them that he would make that proposal to the Lords of the Treasury.

I have, &c.

(signed) *James Stephen.*

(5.)—COPY of a LETTER from *A. Y. Spearman*, Esq. to *J. Stephen*, Esq.

No. 5.
A. Y. Spearman, Esq. to J. Stephen, Esq.
8 June 1837.

Sir, Treasury Chambers, 8 June 1837.

I AM commanded by the Lords Commissioners of His Majesty's Treasury to acquaint you, for the information of Lord Glenelg, with reference to your letter of the 26th April last, on the subject of certain amendments in the Act regulating the proceedings of the Colonization Commissioners for South Australia, that my Lords have received a communication from the South Australian Commissioners, submitting the draft of the Bill adverted to by you, with an explanation of the grounds upon which the enactments thereby contemplated are proposed.

These enactments are,

1. To amend the clauses in the existing South Australian Colonization Act by which the commissioners are empowered to raise certain sums of money, by further empowering them to grant annuities for lives or terms of years.

2. To relieve any bonds or other instruments executed by the commissioners in pursuance of the Acts relating to the colony from stamp duties.

3. To confirm and give validity to certain acts done by the commissioners on their first appointment. And,

4. To dispense with the maintenance of the guarantee or security fund provided for by the 24th clause of the present Act.

With regard to the first of these propositions, you will acquaint Lord Glenelg, that my Lords having obtained a report thereon from the actuary of the National Debt Office, are disposed to concur in opinion with his Lordship, that it would be desirable the commissioners should possess the powers sought in this respect.

My Lords have, however, to suggest, that the proposed clause of the new Bill for effecting this object should be modified in the manner pointed out by the actuary, of whose Report a copy is herewith transmitted; at the same time they may further observe, that the saving likely to accrue from the application of this new provision in the case of the loan for which the commissioners have recently contracted with Mr. Wright, would appear from this Report to have been overrated.

With respect to the proposed remission of stamp duties on bonds or other instruments the commissioners may have occasion to issue, my Lords have to remark, that no such remission was contemplated in the original arrangements relating to the formation of the settlement, nor has it been customary to grant it in the case of securities or other instruments executed in this country on behalf of other colonial governments; my Lords therefore cannot accede to this proposition.

To the third clause of the intended enactment my Lords see no objection; but with respect to the provisions of the remaining clause relating to the guarantee fund, they must request that you will observe to Lord Glenelg, that the guarantee was expressly taken as security that no part of the expense, either of founding or of "governing" the said colony, should fall on the mother country; and as the stipulation in this respect has appeared to my Lords to have formed one of the fundamental principles upon which the peculiar arrangements relating to the colony in question were submitted for, and obtained the sanction of Parliament, my Lords regret that they cannot concur in Lord Glenelg's suggestion, that the maintenance of the guarantee fund provided for by the Act of 4 & 5 Will. 4, c. 95, can be dispensed with.

In submitting these observations to Lord Glenelg, you will further state, that my Lords have caused the Colonization Commissioners to be apprised that his Lordship has been put in possession of their opinion with respect to the proposed enactments of the Bill, which was forwarded to this Board by the commissioners in conformity with his Lordship's desire; and you will at the same time move his Lordship to cause the requisite modifications to be made in the clauses of the proposed Bill before it is submitted to Parliament.

I am, &c.
(signed) *A. Y. Spearman.*

Sir, National Debt Office, 22 May 1837.

I HAD the honour of receiving Mr. Brande's note of the 14th instant, enclosing the extracts of a letter from the South Australian Colonization Commissioners, proposing a clause which they are desirous of having inserted in an Act for amending the Act 4 & 5 of the King, c. 95, and enclosing the copy of a contract recently effected with Mr. Wright, in elucidation of the same; and it being the desire of the Chancellor of the Exchequer that I should report my opinion whether the view taken by the commissioners of the saving of interest likely to be effected by the exercise of the proposed plan is well founded, and whether it is likely to enable them to obtain further loans on more advantageous terms than under the existing Act, and generally to facilitate their arrangements for raising money: I beg leave to acquaint you, for the information of the Treasury, that I have carefully considered these papers, and am humbly of opinion that such a clause is highly expedient, believing that its scope and meaning is to enable the commissioners to reduce the charge of their colonial debt from time to time hereafter, according to the growing prosperity of the colony, and its increasing credit and resources.

A. Y. Spearman, Esq. to J. Stephen, Esq.
8 June 1837.

It appears that previously to the contract with Mr. Wright, a debt of 9,000 *l.* had been incurred, bearing interest at 10 per cent. He engaged to raise 41,000 *l.* more, of which 6,150 *l.* was paid down as a deposit, the remaining 34,850 *l.* to be made good by instalments hereafter, on the requisition of the commissioners, after six weeks' notice. Thus a debt of 50,000 *l.* is contracted for, of which 15,150 *l.* is actually incurred.

It is stipulated with Mr. Wright, that the advances under his contract shall bear interest at 10 per cent., guaranteed against reduction for 10 years; it is not stated whether such a guarantee was extended previously to the tenders of the 9,000 *l.* already borrowed, but it is, from the reasoning of the commissioners, to be inferred that such was the case. But in contemplation that the clause now in question shall be conceded, it is further stipulated that the commissioners may at any time convert the paid and unpaid portion of the debt so contracted for into stock; 100 *l.* of which is to be granted for 85 *l.* in money, and to bear interest at six per cent., guaranteed against reduction for 20 years.

Then if the clause shall not pass, there is a debt of 50,000 *l.* bearing a yearly interest, for 10 years certain, of 5,000 *l.*

But if the clause is conceded, the commissioners may give notice to the creditors under Mr. Wright's contract, of their desire to convert the bonds at 10 per cent. into the six per cent. stock as above. Up to the receipt of that notice, the money actually paid bears interest at 10 per cent. From thenceforward, until the loan is all paid up, by such successive requisitions as the commissioners may think proper to make, the interest is to be only seven per cent., being a fraction less than when the final payment is made, for then the interest wilbe rather more than 7 *l.* 1 *s.* 2 *d.* per 100 *l.*

The fact that Mr. Wright not only yielded to such an alternative, but required a guarantee that the increased capital in six per cent. stock of 48,235 *l.* 6 *s.* should not be paid off at par for 20 years, is sufficient evidence of his belief in the probability that the commissioners would be able at the end of 10 years to borrow money at five per cent. (a belief in which I also participate), and therewith discharge the whole debt of 50,000 *l.*, which they are entitled to do under his contract, and reduce the charge to 2,500 *l.*, being one-half the charge for the first 10 years, without any increase of capital, let interest be taken at five per cent.

On this alternative the present value of the lender's prospects is as follows:

	£.	s.	d.
The possession of 50,000 *l.* stock in five per cents., after 20 years, and in the meantime an annuity of 2,500 *l.* for 20 years. The value of this last is now - - - - - - - - - - -	31,378	9	6
A further annuity for the first 10 years of 2,500 *l.*, the present value of which is - - - - - - - - - - - -	19,486	9	–
Total - - - £.	50,864	18	6

On the other alternative, a capital of 58,823 *l.* 10 *s.* 7 *d.* in six per cent. stock is purchased, insured against reduction for 20 years, and here the creditor's prospects are:

1st. A capital in five per cent. stock, after 20 years, of 50,000 *l.*, as in the former case.

	£.	s.	d.
2d. £. 8,823. 10. 7. to be paid off at par after 20 years, the present value of which is - - - - - - - - - -	3,286	2	8
3d. An annuity of 3,529 *l.* 8 *s.* 3 *d.* for 20 years certain, worth now -	44,299	–	6
Total - - - £.	47,585	3	2
Brought down - - - -	50,864	18	6
The saving by the proposed plan is less than - - - - £.	3,279	15	4

Because this balance supposes that no interest at the rate of 10 per cent. should ever be paid on any part of the debt, neither on the first debt of 9,000 *l.*, nor on the 6,150 *l.* already advanced by Mr. Wright, nor on any other advance stipulated by his contract. But it is a positive covenant with him that such interest shall be paid until the commissioners give notice of their intention to form the six per cent. stock; and as it cannot be known when this may happen, no computation can be made of the deduction from the above balance, in respect of Mr. Wright's advances. But with respect to the previous debt of 9,000 *l.* there will, it is assumed, be interest payable for 10 years, to the extent of three per cent. more than is above allowed for, or 270 *l.* per annum.

	£.	s.	d.
Present value - - - - - - - - - - - -	2,104	10	9
	(3,279	15	4)
If so, the above saving is reduced (independently of any delay in the conversion into stock, as above) - - - - - - - £.	1,175	4	7

The

A. Y. Spearman, Esq. to J. Stephen, Esq. 8 June 1837.

The commissioners aver, however, that by the proposed conversion (which the clause is to empower), after allowing for the present value of 8,823 *l.* 10 *s.* 7 *d.* of additional capital which it creates, "it appears that the actual saving to the colony during the whole term of 20 years would be about 2 ½ per cent. per annum (after paying that increased sum) on 50,000 *l.*;" that is to say, the saving in question will be 1,250 *l.* per annum for 20 years. But to make this out, they must, besides assuming the interest of money at 6 ½ per cent., assume two other propositions, not only repugnant to each other, but neither of them true, each being contradicted by the contract. First, that by the proposed conversion into 6 per cent. stock, the reduced rate of interest will take effect retrospectively on the whole loan of 50,000 *l.*, and on every instalment thereof, whether already paid or to be paid.

Then it follows that the credit of the company is now such, that it can raise money immediately at 7 per cent., with a bonus equalling for the first 20 years 7 ½ per cent., not merely *de futuro*, but in respect of the 15,150 *l.* already paid; therefore the clause to enable them to do so is eminently necessary.

Secondly, that without such conversion, the whole 50,000 *l.* must continue, for 20 years, to bear interest at 10 per cent.

Then Mr. Wright is under some delusion, for, notwithstanding his belief, the credit of the company is now such, that there is no probability that the commissioners can avail themselves of the power which they already possess of paying off the 10 per cent. bonds at the end of 10 years, or of making any reduction in the interest for 10 years afterwards.

Hence it is useless to apply for a clause conferring powers, which it is assumed cannot be made available in the next 20 years; for interest being 6 ½ per cent., by the immediate conversion with a retrospective operation, the dividends compose an annuity for 20 years of 3,529 *l.* 8 *s.* 3 *d.*, and the surplus stock payable at par after 20 years is 8,823 *l.* 10 *s.* 7 *d.*

	£.	s.	d.
Present value of the annuity - - - - - - - - - -	39,191	7	–
Ditto of the surplus stock - - - - - - - - - -	2,454	18	8
Total - - - £.	41,646	5	8
The saving is asserted to be an annuity for 20 years of 1,250 *l.*			
Present value thereof - - - - - - - - - - -	13,880	5	4
In all - - - £.	55,526	11	–
But without any such conversion, there is a debt of 50,000 *l.*, bearing interest at 10 per cent. for 20 years certain. Present value of an annuity of 5,000 *l.* for 20 years - - - - - - - - - -	55,521	1	6
Difference only - - £.	5	9	6

From this it is manifest that the commissioners could not have been aware of the consequences to which their own reasoning leads.

But although it is thus shown that anything like the saving suggested is merely impossible by the plan of conversion, it is yet highly desirable that the commissioners should be invested with powers to take advantage of that favourable state of things which I sincerely hope will speedily crown their enterprise.

But it appears to me, with great submission, that the clause, as now framed, will defeat the very object intended. It contains the following proviso: "Provided always, that [in every grant of any perpetual annuity, or of any annuity for any term absolute exceeding 40 years, or for more than one life, or for any term determinable on the decease of more than one person under the authority of this Act, shall be inserted an agreement or proviso that such annuity shall be redeemable or repurchaseable by the said commissioners, and in such proviso or agreement shall be fixed such times and terms for the redemption and purchase thereof as the said commissioners, under the circumstances of the contract, shall think reasonable; and] it shall and may be lawful for the said commissioners from time to time to repurchase and redeem all or any of the [redeemable] annuities hereby authorized to be granted with the monies accruing from such funds respectively, as shall be chargeable with such annuities respectively, or as often as it shall appear to them that the charge created by such annuities can be reduced, with money borrowed and taken up by all or any means by the said recited Act or this Act authorized.

Now, to redeem at the option of the commissioners, (no time, after some definite interval, being fixed for that operation,) any terminable annuity whatsoever, whether for lives or years, at the same rate of interest by which it was originally sold, or at some lesser rate to be agreed on, which is the same thing as a bonus in the case of stock, is an intelligible and useful covenant; or to redeem any perpetual annuity at the par of any stock in which it is created, some given interval first elapsing, is also intelligible and useful; and if that be the meaning in legal construction of the proviso, there can be no objection to it. But if, as I think, it constrains the commissioners to fix at the time of contract any definite future time or conditions when the operation of redemption shall absolutely take place, in that case the condition of the loan, of whatever denomination the security may be, is in the nature of a temporary annuity, which will and must be computed and dealt for according to the value of money and the credit of the colony at the time of contract, without reference to any future state of improvement.

A. Y. Spearman, Esq. to J. Stephen, Esq. 8 June 1837.

I would further observe, that I do not see in the clause any authority for the best of all kinds of redemption, namely, the purchasing with any surplus monies that may be in hand their own colonial securities in the open market, at their fluctuating price from time to time.

Finally, I would humbly request their Lordships' permission to volunteer a suggestion which may, under present circumstances, be useful to the commissioners, and more advantageous than following out Mr. Wright's contract.

That is, to raise money at six per cent. immediately by the simple operation of a tontine, which in the present times might perhaps be very popular. For 100*l.* money, an annuity with the benefit of survivorship in the same class, increasing continually:

	£.	s.	d.
To each life named at the time of payment, under the age of 15 - 15 -	6	–	8
and under - - 25 -	6	1	5
— - - - 30 -	6	2	2
— - - - 35 -	6	3	–
— - - - 40 -	6	4	–
— - - - 45 -	6	5	5
— - - - 50 -	6	7	4
— - - - 55 -	6	10	–
— - - - 60 -	6	13	9
— - - - 65 -	6	19	2
— - - - 70 -	7	7	2
— - - - 75 -	7	19	4

The filling up this tontine may go on for 20 years to come, by requiring for enrolling future tontines a small extra premium, in consideration of the increased dividend at the time.

I beg leave to return the papers which Mr. Brande sent me.

I have, &c.
(signed) *John Finlaison,*
Government Calculator.

A. Y. Spearman, Esq.
&c. &c. &c.

J. Stephen, Esq. to the Colonial Commissioners, 19 June 1837.

(6.)—Copy of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners for *South Australia.*

Gentlemen, Colonial Office, 19 June 1837.

I am directed by Lord Glenelg to transmit to you, with reference to my communication of the 26th April last, the copy of a letter and its enclosures which has been addressed to this department by desire of the Lords Commissioners of the Treasury relative to certain amendments which have been proposed by you in the Act of Parliament for regulating your proceedings in regard to the colony of South Australia.

I have, &c.
(signed) *Jas. Stephen.*

(7.)—Copy of a LETTER from *R. Torrens*, Esq. to *J. Stephen*, Esq.

R. Torrens, Esq. to J. Stephen, Esq. 20 April 1838.

South Australian Colonial Office,
Sir, Adelphi Terrace, 20 April 1838.

The Colonization Commissioners for South Australia have the honour to submit for the consideration of Lord Glenelg the accompanying draft of a Bill for amending the Act of 4 & 5 Will. 4, c. 95, for erecting South Australia into a British province.

The first clause in this draft goes to amend those provisions of the existing Act which empower the commissioners to raise certain sums of money, by further empowering them to grant annuities for lives or terms of years. This clause, with the exception of the omission of the proviso objected to by Mr. Finlaison, is the same which, as appears by Mr. Spearman's letter to you of the 8th of June 1837, the Lords of the Treasury have already approved.

The third clause in the draft, confirming and giving validity to the acts of the commissioners on their first appointment, has also been approved by the Lords of the Treasury.

By the second clause of the draft the commissioners are empowered, when there is an unemployed surplus belonging to one of the funds at their disposal, and a deficiency in the other, to borrow from the one in aid of the other. This clause was not contained in the draft of the Bill formerly submitted for approval, and the commissioners therefore beg to be allowed to explain the grounds upon which the new provision is now applied for.

The existing Act provides that the whole of the proceeds obtained by the sale of public lands shall be employed without deduction in conveying labouring emigrants to the colony; and that the expenses of the colonial government shall be defrayed by money raised in this country by the issue of colonial revenue securities. Under these provisions

of

of the Act it has happened, that the commissioners have been compelled to pay 10 per cent. for money borrowed upon colonial securities, while holding, in exchequer bills, an unemployed fund derived from the sale of land, varying from 35,000*l.* to 20,000*l.* To avoid the recurrence of such unnecessary waste, it is proposed to amend the Act, so as to empower the commissioners to borrow from the land fund, in aid of the revenue fund, when extensive purchases of land are made in this country without a corresponding increase in the demand for labour in the colony, and to borrow from the revenue fund, in aid of the land fund, as often as the monies in the hands of their treasurer are deficient as respects the latter fund, and unemployed and disposable as respects the former.

The fourth clause provides a new arrangement respecting the guarantee fund, the object of which is to relieve the colony from a heavy charge on account of interest, and at the same time to afford an increased security against the expenses of the colonial government falling on the mother country. The commissioners can replenish the guarantee fund only so long as they can borrow money by the issue of colonial securities; and the ability of the commissioners to borrow upon such securities, forms the only real guarantee which the Government possesses or can possess, that the expenses of the colonial government shall not fall upon the public purse. Now, it is provided by the fourth clause of the draft, that the present guarantee fund shall be released, and that in lieu thereof the commissioners shall transfer to the trustees of that fund, the same power which they themselves possess of calling for instalments upon the loans raised by the issue of colonial securities. The working of this arrangement would be at once simple and efficacious, for should the commissioners, under the proposed provision, contract for a loan of 30,000*l.* by issuing colonial securities, and should they, after calling upon the holders of these securities for instalments amounting to 10,000*l.*, place in the hands of the trustees of the guarantee fund a warrant giving them legal power to call for the remaining 20,000*l.*, then that sum, in the event of the Home Government being required to make a payment on account of the colony, would be at the disposal of the Treasury more absolutely and more immediately than it can be under the provisions of the existing Act, according to which the Lords of the Treasury have to apply to the Colonial Office, to require the commissioners to call upon the loan contractor to pay up instalments for replenishing the guarantee fund.

It is obvious that the proposed regulation respecting the guarantee fund, would afford to the Home Treasury the most perfect security in all cases except those in which the financial credit of the colony should be so depressed as to deprive the commissioners of the power of raising further loans upon colonial securities. But in these cases it is impossible that the Home Treasury should have any security whatever. When the commissioners can no longer defray the expenses of the colonial government by money raised upon colonial securities, the guarantee fund can no longer be replenished, and the necessary establishments of the colony must be paid for out of the public purse. The proposed arrangement, therefore, would afford perfect security in all cases except those in which no security of any kind could be attainable; and more than this, it would effectually contribute to prevent the occurrence of those cases in which the mother country can have no security against liability on account of the expenses of the colonial government. The difference between the interest of 10 per cent., which the commissioners pay to the loan contractor on the 20,000 *l.* now required to be held as a guarantee fund, and the interest which they receive upon that sum invested in Exchequer Bills, is at present an unproductive charge, bearing heavily upon the financial resources of the colony. The removal of this unproductive charge would enable the colony to defray the expenses of its local government at an earlier period than would otherwise be practicable, while it would give to the commissioners, by relieving the resources and improving the credit of the colony, increased facilities for contracting those loans which, so long as the colonial revenue falls short of the colonial expenditure, constitute the only real and effectual guarantee which the Home Government can possess.

Should the considerations now submitted receive the concurrence and sanction of Lord Glenelg, the commissioners request that his Lordship may be pleased to lay before the Lords of the Treasury, for their approval, the draft herewith enclosed of a Bill for amending the existing South Australian Act.

I have, &c.
(signed) *Robert Torrens*, Chairman.

A Bill to amend an Act of the Fourth and Fifth Years of his late Majesty, empowering his Majesty to erect *South Australia* into a British Province or Provinces.

Whereas by an Act passed in the fourth and fifth years of the reign of his late Majesty, intituled, An Act to empower his Majesty to erect South Australia into a British province or provinces, and to provide for the Colonization and Government thereof, his Majesty was empowered, with the advice of his Privy Council, to erect and establish within that part of Australia which lies between the meridians of the 132d and 141st degrees of east longitude, and between the Southern Ocean and the 26th degree of south latitude, together with the islands adjacent thereto, and the bays and gulfs thereof, one or more provinces, and to fix the respective boundaries of such provinces; and by the said Act it was enacted, that it should be lawful for his Majesty, by warrant under the sign manual, countersigned Preamble.

R. Torrens, Esq. to J. Stephen, Esq. 20 April 1838.

countersigned by his Majesty's Principal Secretary of State for the Colonies, to appoint three or more fit persons to be commissioners to carry certain parts of the said Act into execution, such commissioners to be styled the "Colonization Commissioners for South Australia:"

And whereas by a warrant under the sign manual of his said Majesty, and countersigned by the Right honourable Charles Baron Glenelg, one of his Majesty's Principal Secretaries of State having the department of the Colonies, Robert Torrens, William Alexander Mackinnon, William Hutt, John George Shaw Lefevre, George Palmer the younger, Jacob Montefiore, Samuel Mills, Edward Barnard, Josiah Roberts, and James Pennington, Esqrs., were duly appointed to be such Colonization Commissioners for South Australia:

And whereas His said Majesty, on or about the day of by letters patent under the great seal of Great Britain, with the advice of his Privy Council, and in pursuance of the powers in that behalf vested in his said Majesty by the said recited Act of Parliament, did erect and establish one province to be called "the Province of South Australia," and did thereby fix the boundaries of the same province in manner following; that is to say, on the north the 26th degree of south latitude, on the south the Southern Ocean, on the west the 132d degree of east longitude, and on the east the 141st degree of east longitude, including therein all and every the bays and gulfs thereof, together with the island called Kangaroo Island, and all and every other islands adjacent to the said last-mentioned island or any part of the main land of the said province, and it was thereby provided that nothing in the said letters patent contained should affect or be construed to affect the rights of any aboriginal natives of the said province to the actual occupation or enjoyment in their own persons, or in the persons of their descendants, of any lands therein then actually occupied or enjoyed by such natives:

And whereas the sum of 35,000*l.* has been raised by the sale of lands in the said province, and the sum of 39,000*l.* has been raised by the issue of South Australian colonial revenue securities, for the purposes in the said Act mentioned; and the sum of 20,000*l.*, part thereof, has been invested in Government securities in the names of trustees appointed by his Majesty as a guarantee or security fund, as required by the said Act:

And whereas doubts have arisen as to the extent of the powers vested in the said Colonization Commissioners for South Australia by the said Act, and it is expedient that such powers should be more clearly defined, and that the provisions of the said Act should be amended in manner hereinafter mentioned; be it enacted and declared by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same,

Power to raise money by way of annuities.

1. That it shall and may be lawful to and for the said commissioners to raise all or any part of the sum of 50,000*l.* in the said Act mentioned, and all or any part of the sum of 161,000*l.*, residue of the sum of 200,000*l.* in the said Act mentioned, and also all other monies which the said commissioners may from time to time be authorized to raise under the powers of the said recited Act, or of this Act, or any part of the same respectively, by selling and granting perpetual annuities, or annuities for any life or lives, or for any term or terms of years, absolute or determinable on any life or lives, on such terms as to the said commissioners shall appear reasonable; and all such annuities shall be charged and chargeable upon, and payable out of such funds respectively, as the interest of the monies authorized to be raised by the said recited Act are, by the said recited Act or this Act, charged or made payable out of; and the grants of such annuities shall be in such form, and such annuities shall be payable and assignable in such manner, as the said commissioners shall think fit: provided always, that in every grant of any perpetual annuity, or of any annuity for any term absolute exceeding 40 years, or for more than one life, or for any term determinable on the decease of more than one person, under the authority of this Act, shall be inserted an agreement or proviso that such annuity shall be redeemable or repurchaseable by the said commissioners; and it shall and may be lawful for the said commissioners from time to time to repurchase and redeem all or any of the redeemable annuities hereby authorized to be granted, with the monies accruing from such funds respectively as shall be chargeable with such annuities respectively, or (as often as it shall appear to them that the charge created by such annuities can be reduced) with money borrowed and taken up by all or any of the means by the said recited Act or this Act authorized, which money the said commissioners are hereby authorized to borrow and take up accordingly.

Commissioners to apply money raised from either fund convertibly, keeping separate accounts.

2. And be it enacted, that it shall be lawful for the said commissioners to apply all or any of the money which now is or shall from time to time be in the hands of their treasurers, to the payment of the interest on the said South Australia public lands securities, and on the said South Australia colonial revenue securities respectively, and of the annuities by this Act authorized to be granted, and to the paying or defraying any expenses incurred in carrying the said recited Act and this Act into execution, or in applying for and obtaining the said recited Act and this Act, although such money shall not form any part of or have arisen from the revenue or fund charged primarily or exclusively with the payment of the interest or expenses to which it shall be so applied: provided always, that in every case in which any money advanced out of the monies borrowed on the said South Australia colonial revenue securities, or derived from the revenue of the said province, shall be applied in aid of the emigration fund, the money so advanced shall be a debt due from the said emigration fund

fund to the said province; and in case any part of the said emigration fund shall be applied in aid of the revenues of the said province, the monies so advanced shall be a colonial debt, owing by the said province to the said commissioners on account of the said emigration fund; and distinct accounts of all such advances shall be kept in the books under the direction of the said commissioners; and such advances respectively shall be repaid or replaced as soon as conveniently may be (but without interest thereon in the meantime) by the said commissioners out of the monies accruing to the fund debited with such advance; and when any money advanced from either of the said funds in aid of the other of them shall be required for the purpose of the fund from which the advance shall be made, the said commissioners shall and may borrow and take up at interest, or raise, in addition to the monies which they are authorized to borrow by the said recited Act, money for repaying such advance by all or any of the means by this Act or the said recited Act authorized, and the securities on which such monies shall be so raised shall bear such names and shall be charged upon and payable out of such funds respectively as the same would have been charged upon and payable out of if such securities had been made under the powers of the said recited Act or this Act, or for the use of the fund debited with the advances so repaid.

Power to raise money on the security of the revenue to pay debts incurred to the emigrant fund, and *vice versâ*.

3. And whereas notice was published in the London Gazette, in the month of May 1835, of the appointment of commissioners for carrying into effect certain parts of the said recited Act; but such appointment was not then signed by His Majesty, as required by the said Act, be it enacted, that all contracts, obligations, rules, orders and regulations, matters and things whatsoever entered into, executed, made or done by the commissioners so named, or any two of them, or other the commissioners for the time being acting under the authority or supposed authority of the said recited Act, or in the execution or supposed execution of the powers vested in them by the said Act, and not inconsistent with the provisions of the said recited Act as explained and extended by this Act, shall have the same force and validity as if the commissioners had been duly appointed before the respective periods at which such contracts, obligations, rules, orders and regulations, matters and things, were respectively entered into, executed, made and done.

Confirmation of acts of Commissioners.

4. And whereas a considerable loss accrues to the said colony of South Australia, by reason of the high rate of interest paid on the colonial revenue securities issued for raising the fund of 20,000 *l.* in the said Act mentioned; and whereas the Colonization Commissioners for South Australia have contracted, and may hereafter contract, for raising money for the service of the said colony, to be paid by instalments in such sums as the commissioners may from time to time call for, and a great saving would be effected to the said colony if the said securities now held for the said sum of 20,000 *l.* were allowed to be released, and one or more instalments, payable to the commissioners under some contract made or to be made as aforesaid were assigned over, together with an adequate amount of colonial revenue bonds, as security for the said sum of 20,000 *l.*, be it enacted, that it shall be lawful for any one or more of Her Majesty's Principal Secretaries of State to cause the securities on which the said sum of 20,000 *l.* is now invested to be delivered to the treasurer for the time being of the said commissioners, to be by him sold and the proceeds thereof applied for any of the purposes for which the monies raised by the issue of the said South Australian colonial revenue securities are by the said recited Act or this Act made applicable, and to require that in lieu thereof there shall be placed in the hands of the trustees appointed in pursuance of the said Act an adequate amount of the said colonial revenue securities, together with a warrant or order under the seal of the said commissioners for the payment of 20,000 *l.* out of any loan or loans contracted or to be contracted for by the said commissioners; and it shall be lawful to and for any one of Her Majesty's Principal Secretaries of State to call in and compel payment of the sum of 20,000 *l.* mentioned in such warrant or order, or to exchange any such warrant or order for another or others, and so from time to time, as occasion shall require; and such warrant or order, and the monies therein directed to be paid, shall be held upon the same trusts, and for the same intents and purposes, as are in and by the said Act declared of and concerning the sum of 20,000 *l.* therein mentioned.

Power to Secretary of State to release the guarantee fund.

And be it enacted, that this Act may be altered or repealed by any Act or Acts to be passed in this present Session of Parliament.

Act may be altered.

(8.)—Copy of a LETTER from *Jas. Stephen*, Esq. to *A. Y. Spearman*, Esq.

Sir, Colonial Office, 30 April 1838.

I am directed by Lord Glenelg to transmit to you, for the consideration of the Lords Commissioners of the Treasury, the copy of a letter from the chairman to the South Australian Commissioners, submitting the draft of a Bill for amending the Act 4 & 5 Will. 4, c. 95, for erecting South Australia into a British province. His Lordship requests that the Lords of the Treasury will favour him with their decision on the proposed Bill.

J. Stephen, Esq. to A. Y. Spearman, Esq., 30 April 1838.

20 April. Draft.

I am, &c.
(signed) *Jas. Stephen.*

(9.)—COPY of a LETTER from *Jas. Stephen*, Esq. to Colonel *Torrens*.

J. Stephen, Esq. to Colonel Torrens, 30 April.

Sir, Colonial Office, 30 April.

I HAVE received and laid before Lord Glenelg your letter of the 20th inst., with the draft of a Bill for amending the Act 4 & 5 Will. 4, c. 95, for erecting South Australia into a British province; and I am directed to acquaint you, for the information of the Colonization Commissioners, that the draft of the proposed Bill has been referred to the Lords Commissioners of the Treasury for their decision.

I am, &c.
(signed) *Jas. Stephen.*

(10.)—COPY of a LETTER from *A. Y. Spearman*, Esq. to *James Stephen*, Esq.

A. Y. Spearman, Esq. to J. Stephen, Esq., 11 June 1838.

Sir, Treasury Chambers, 11 June 1838.

HAVING laid before the Lords Commissioners of Her Majesty's Treasury your letters dated 30th April last and 6th inst., submitting, by direction of Lord Glenelg, for the consideration of this Board, two letters from the chairman to the commissioners for colonizing South Australia, and the draft of a Bill for amending the South Australian Act to which they relate, I have it in command from their Lordships to request you will state to Lord Glenelg, that, provided the fourth clause, relating to the guarantee fund, is omitted, as proposed in the letter from the chairman to the commissioners of the 4th inst., my Lords do not object to the enactments contemplated in the Bill.

I am, &c.
(signed) *A. Y. Spearman.*

(11.)—COPY of a LETTER from *J. Stephen*, Esq. to the Colonization Commissioners for *South Australia*.

Gentlemen, Downing-street, 12 June 1838.

J. Stephen, Esq. to the Colonization Commissioners, 12 June 1838.

WITH reference to your letter of the 4th instant, I am directed by Lord Glenelg to transmit to you a copy of a letter from the Secretary to the Treasury, intimating that, provided the fourth clause, relating to the guarantee fund, is omitted in the Bill which you propose to introduce into Parliament for amending the South Australian Act, the Lords Commissioners do not object to the enactments contemplated in the proposed Bill.

I am, &c.
(signed) *Jas. Stephen.*

Paper, No 8.

STATEMENTS delivered in by *T. F. Elliot*, Esq. 5 March 1841.

(No. 1.)

FINANCIAL STATEMENT of the Colonization Commissioners for *South Australia*, 1st March 1841.

Statements delivered in by T. F. Elliot, Esq. 5 March 1841.

	LIABILITIES:	£. s. d.	£. s. d.
Class 1.	Debts for Goods delivered and Services rendered, including Interest on Bonds due in July 1841, and Office Expenses, the latter estimated up to the 30th June 1841; viz.		
	Due from the Revenue Fund	15,161 16 9	
	Ditto - Emigration Fund	41,093 14 2	
	TOTAL of Class 1		56,255 10 11
— 2.	Bills presented to March 1	69,247 5 2	
	Ditto known to be drawn, but not yet presented (estimated)	8,000 — —	
	Further bills which may be presented to 1st May, (estimated at previous average of 1840)	20,400 — —	
	TOTAL of Bills		97,647 5 2
— 3.	Total Debt to be paid from Revenue Fund to Emigration Fund	97,840 8 10	
	Deduct emigration portion of claims in Class 1, which will be provided for, if the Revenue Fund is enabled to discharge these claims	41,093 14 2	
	Balance due under the Act for future Emigration		56,746 14 8
— 4.	Ten per cent. Bonds	39,000 — —	
	Six per cent. Bonds	46,800 — —	
	TOTAL Bonds		85,800 — —
		£.	296,449 10 9
	ASSETS:		
	Security Fund, invested as required by the Act of Parliament	20,000 — —	
	Withdrawn to pay bills drawn by Captain Hindmarsh	6,000 — —	
	Remaining in the Security Fund, (Consols 15,245 *l.* 1 *s.* 8 *d.*), which cost	14,000 — —	
	Exchequer bills in hand	3,000 — —	
	Cash in the hands of the Treasurer	728 10 3	
	TOTAL Pecuniary Assets in England £.	17,728 10 3	

N. B.—In addition to the claims in the preceding Statement, the following are Debts which, as far as known here, may exist in the colony, from the Revenue Fund to the Emigration Fund:

		£. s. d.
— 1.	Provisions supplied to the surveyors, &c. from the stores which were sent to the colony with the first expedition, and which were paid for from the Emigration Fund	12,000 — —
— 2.	Withdrawn by the Colonial Treasurer from the Emigration Fund in the colony, and which is supposed to have been applied to purposes which should be paid from the Revenue Fund	15,500 — —
	TOTAL £.	27,500 — —

Joseph Jackson, Accountant.

Statements delivered in by T. F. Elliot, Esq. 5 March 1841.

(No. 2.)

A STATEMENT of BILLS drawn from the Colony each Three Months.

TIME.	1836.	1837.	1838.	1839.	1840.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
January to March	- - -	1,307 14 8	6,561 19 1	4,100 - -	34,659 5 11 (a)
April to June	- - -	1,492 19 -	6,800 - -	9,500 - -	34,813 5 6 (a)
July to September	- - -	3,302 3 4	160 - -	16,002 11 11 (a)	22,325 7 7 (b)
October to December	3,761 - 9	4,163 4 4	4,600 - - (a)	15,019 18 -	-
£.	3,761 - 9	10,266 1 4	18,121 19 1	44,622 9 11	91,797 19 -

(a) One bill not presented, the amount of which is not known, and not included in this amount.
(b) Eleven bills not presented, the amounts of which are not known, and not included in this amount.

Joseph Jackson,
Accountant.

(No. 3.)

BILLS drawn from *South Australia* which have been presented in the Months following.

MONTH.	1840. ACCEPTED.	1840. NOT ACCEPTED.	1841. NOT ACCEPTED.
	£. s. d.	£. s. d.	£. s. d.
January	8,114 16 3	- - -	6,175 6 8
February	2,337 15 8	- - -	19,305 12 11
March	3,200 - -		
April	8,890 8 6		
May	4,333 15 11		
June	15,520 3 2		
July	9,595 10 7		
August	605 - -	4,618 - 4	
September	- - -	9,853 3 7	
October	- -	8,530 14 1	
November	- -	16,831 - 1	
December	- - -	3,933 7 6	
			25,480 19 7
£.	52,597 10 1	43,766 5 7	43,766 5 7
		52,597 10 1	
£.		96,363 15 8	
TOTAL not accepted, 4 March - - - £.			69,247 5 2

In addition to the above there are 30 bills yet to be presented, which were drawn before 10 October 1840.

Joseph Jackson,
Accountant.

(No. 4.)—A Statement of Ways and Means, during 1840, submitted to the Board Monthly.

	January 1840.			February 1840.			March 1840.		
	Revenue.	Emigration.	Total.	Revenue.	Emigration.	Total.	Revenue.	Emigration.	Total.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Claims for Passage-money, Bills and Sundries	1,284 12 11	13,467 1 6	14,751 14 5	1,572 7 4	7,560 12 9	9,133 – 1	7,900 4 10	13,406 9 –	21,306 13 10
Assets:									
Cash in the hands of the Treasurer	– – –	2,587 2 11	– – –	– – –	1,852 17 6	– – –	– – –	6,503 7 2	
Ditto – – South Australian Company	– – –	53,847 19 7	– – –	– – –	47,142 17 2	– – –	– – –	57,228 11 5	
Exchequer Bills in hand	– – –	18,000 – –	– – –	– – –	15,000 – –	– – –	– – –	15,000 – –	
			74,435 2 6			63,995 14 8			78,731 18 7

	April 1840.			May 1840.			June 1840.		
	Revenue.	Emigration.	Total.	Revenue.	Emigration.	Total.	Revenue.	Emigration.	Total.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Claims for Passage-money, Bills and Sundries	3,577 1 1	11,830 12 10	15,407 13 11	3,630 8 7	10,468 1 7	14,098 10 2	10,205 11 4	11,806 11 11	22,012 3 3
Assets:									
Cash in the hands of the Treasurer	– – –	6,375 16 4	– – –	– – –	7,619 15 –	– – –	– – –	8,295 2 8	
Ditto – – South Australian Company	– – –	42,228 11 5	– – –	– – –	32,228 11 5	– – –	– – –	28,080 15 9	
Exchequer Bills in hand	– – –	15,000 – –	– – –	– – –	15,000 – –	– – –	– – –	15,000 – –	
			63,604 7 9			54,848 6 5			51,375 18 5

	July 1840.			August 1840.			September 1840.		
	Revenue.	Emigration.	Total.	Revenue.	Emigration.	Total.	Revenue.	Emigration.	Total.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Claims for Passage-money, Bills and Sundries	7,571 – 5	11,620 4 5	19,191 4 10	17,378 4 8	18,555 4 5	35,933 9 1	9,954 14 11	16,760 2 7	26,714 17 6
Assets:									
Cash in the hands of the Treasurer	– – –	9,473 3 10	– – –	– – –	17,841 18 1	– – –	– – –	1,480 8 –	
Ditto – – South Australian Company	– – –	12,798 19 –	– – –	– – –	– – –	– – –	– – –	1,931 14 2	
Exchequer Bills in hand	– – –	15,000 – –	– – –	– – –	15,000 – –	– – –	– – –	10,000 – –	
			37,272 2 10			32,841 18 1			13,412 2 2

Joseph Jackson,
Accountant.

Statements delivered in by T. F. Elliot, Esq. 5 March 1841.

(No. 5.)

FINANCIAL POSITION at the Commencement of the following Half Years.

		£.	s.	d.
1836:				
January 1 -	Cash in the hands of the Treasurer - - - - - -	35,753	9	6
	Exchequer bills in hand - - - - - - - -	8,295	1	–
		44,048	10	6
	Agency and sundries unpaid - - - - - - - -	1,435	15	1
	Available Balance - - - £.	42,612	15	5
July 1 - -	Cash in the hands of the Treasurer - - - - -	4,307	3	7
	Exchequer bills in hand - - - - - - - -	29,228	7	6
	£.	33,535	11	1
	Passage-money, agency, and sundries unpaid, including dividends falling due on bonds - - - - - - - -	9,121	11	9
	Available Balance - - - £.	24,413	19	4
1837:				
January 1 -	Cash in the hands of the Treasurer - - - - -	2,238	18	11
	Exchequer bills in hand - - - - - - - -	18,900	–	–
	£.	21,138	18	11
	Passage-money, agency, and sundries unpaid, including dividends falling due on bonds - - - - - - - -	11,378	10	1
	Available Balance - - - £.	9,760	8	10
July 1 -	Cash in the hands of the Treasurer - - - - -	6,034	8	8
	Exchequer bills in hand - - - - - - - -	16,900	–	–
	£.	22,934	8	8
	Passage-money, agency, and sundries, including dividends and bills falling due - - - - - - - - -	11,940	1	1
	Available Balance - - - £.	10,994	7	7
	Of the loan for 41,000 *l.* there remained to be paid 34,850 *l.*			
1838:				
January 1 -	Cash in the hands of the Treasurer - - - - -	3,563	10	8
	Exchequer bills in hand - - - - - - - -	8,418	2	6
	£.	11,981	13	2
	Passage-money, agency, and sundries, including dividends falling due on bonds - - - - - - - - - -	16,021	13	8
	Deficiency - - - £.	4,040	–	6
	Loan from Emigration Fund - - - £. 1,442 8 6			
	Of the public loan 32,800 *l.* remained to be paid.			
July 1 - -	Cash in the hands of the Treasurer - - - - - -	5,451	13	1
	Passage-money, agency, and sundries, including dividends falling due on bonds - - - - - - - - - -	20,726	16	11
	Deficiency - - - £.	15,275	3	10
	Loan from Emigration Fund - - - £. 8,640 10 7			
	Of the public loan 24,600 *l.* remained to be paid.			

Statements delivered in by T. F. Elliot, Esq. 5 March 1841.

		£. s. d.	£. s. d.
1839: January 1 -	Cash in the hands of the Treasurer - - - - - - -	13,847 4 –	
	Passage-money, agency and sundries, including dividends falling due on bonds - - - - - - - - - - -	23,071 18 8	
	Deficiency - - - £.		9,224 14 8
	Loan from Emigration Fund - - - - £. 15,456 12 2		
	Of the public loan 12,300 *l.* remained to be paid.		
July 1 -	Cash in the hands of the Treasurer - - - - - - -	1,765 3 6	
	Exchequer bills in hand - - - - - - - - -	24,707 8 4	
	£.		26,472 11 10
	Passage-money, agency and sundries, including dividends falling due on bonds - - - - - - - - - - -		41,018 11 4
	Deficiency - - - £.		14,545 19 6
	Loan from Emigration Fund - - - - £. 13,260 7 2		
	Of the public loan 1,200 *l.* remained to be paid.		
1840: January 1 -	Cash in the hands of the Treasurer - - - - - - -	1,534 10 3	
	Exchequer bills in hand - - - - - - - - -	18,539 3 8	
	Cash in the hands of the South Australian Company - -	53,789 18 4	
	£.		73,863 12 3
	Passage-money, agency and sundries, including dividends falling due on bonds - - - - - - Revenue £. 7,550 19 1 / Emigration 36,175 16 4		43,726 15 5
	Available Balance - - - £.		30,136 16 10
	Loan from Emigration Fund - - - - £. 36,812 8 3		
July 1 -	Cash in the hands of the Treasurer - - - - - - -	8,905 4 10	
	Exchequer bills in hand - - - - - - - - -	15,052 11 8	
	Cash in the hands of the South Australian Company - - -	12,798 19 –	
	£.		36,756 15 6
	Passage-money, agency and sundries, including dividends falling due on bonds - - - - - - - - - - -		56,079 4 11
	Deficiency - - - £.		19,322 9 5
	Loan from Emigration Fund - - - - £. 63,737 12 7		
1841: January 1 -	Cash in the hands of the Treasurer - - - - - - -	593 10 3	
	Exchequer bills in hand - - - - - - - - -	3,000 – –	
	£.		3,593 10 3
	Passage-money, agency and sundries, including dividends falling due on bonds - - - - - - - - - - -		47,189 12 11
	Deficiency - - - £.		43,596 2 8
—	Loan from Emigration Fund - - - - £. 97,840 8 10		
—	Bills presented but not accepted - - - - - -	43,766 5 7	
	Ditto - - ditto - - to the 4th March, in addition to the above -	25,480 19 7	
	£.		69,247 5 2

Joseph Jackson,
Accountant.

Statements delivered in by T. F. Elliot, Esq. 5 March 1841.

(No. 6.)

A YEARLY STATEMENT of the LOANS from the Emigration Fund.

DATES.	Emigration Fund Loan for Interest which is not Part of the Loan subject to Yearly Estimate.	TOTAL of the Loan for Interest.	Emigration Fund Loan for General Purposes, which is subject to the Yearly Estimate.	TOTAL of the Loan for General Purposes.	TOTAL of Loans including the Loan for Interest.
1838:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
December 31 -	10,677 3 4	10,677 3 4	4,779 8 10	4,779 8 10	15,456 12 2
1839:					
December 31 -	5,572 9 6	19,181 5 -	17,631 3 3	17,631 3 3	36,812 8 3
1840:					
December 31 -	3,354 - -	25,889 5 -	30,748 16 3	71,951 3 10	97,840 8 10

DATES.	Sales in England of Land in South Australia for the Year.	Cash Received by the South Australian Company at Adelaide, which is supposed to be from Sales of Land, and which was reported to the Commissioners during the Year.	TOTAL.	AMOUNT Subject to Loan, being One-third of the Known Sales.
1838:	£. s. d.	£. s. d.	£. s. d.	£. s. d.
December 31 - - -	37,800 - -	- - -	37,800 - -	12,600 - -
1839:				
December 31 - - -	48,336 - -	103,197 12 -	151,533 12 -	50,511 4 -
1840:				
December 31 - - -	7,040 - -	27,400 - -	34,440 - -	11,480 - -

Joseph Jackson,
Accountant.

Paper, No. 9.

PAPER delivered in by *G. F. Angas*, Esq. on 4th March 1841.

2, Jeffrey-square, St. Mary Axe,
19 October 1835.

My Lord,

I BEG permission of your Lordship to tender my resignation of the office I have the honour to hold under His Majesty's Government, being one of the Commissioners for the Colonization of South Australia. In the faithful discharge of my duties in that important situation, I considered it necessary, for the success of the new colony, to encourage the establishment of a joint-stock company for the purposes of trade, agriculture, and commerce in the new provinces.

Paper delivered in by G. F. Angas, Esq. 4 March 1841.

For the execution of this scheme I was compelled to take a very active part, without which, those gentlemen of capital and extensive commercial experience to whom application was made to support that object, declared their unwillingness to embark in it at all.

Under such circumstances, there was no alternative left me but to pledge myself to this obligation or abandon a measure which was considered by the Board of Commissioners essential to the welfare of the colony.

It was manifest to my mind that such a course would involve in it the necessity of my resignation, for His Majesty's Government could not consistently permit the union in the same person of two such offices as Commissioner under the Act of Parliament, Geo. 4, c. 95, and chairman of the company formed expressly to trade in that colony.

As the motive that induced me in the first instance to accept the office of Commissioner for the Colonization of South Australia was the hope of benefit to the nation from the new field of labour and support thereby offered to the people, so the like object has constrained me, in the most respectful manner, now to resign my commission, beseeching your Lordship to accept of my resignation.

Should it not be presuming too much on your Lordship's condescension, may I beg permission to recommend Mr. Jos. Roberts, of Camberwell, to your Lordship's attention as a very able and efficient person to fill the vacant office. Should it be the pleasure of His Majesty's Government to appoint him, I am persuaded that no inconvenience whatever will arise from my retirement.

I have, &c.
(signed) *George Fife Angas.*

To the Right Hon. Lord Glenelg, &c. &c.
London.

Gentlemen,

Downing-street, 22 October 1835.

IN reference to the intimation recently given to Lord Glenelg by one of your body, Mr. Angas, that he had become a member of a society established for various purposes connected with the commerce and agriculture of South Australia, and, amongst others, for the purpose of purchasing tracts of the land, which you are empowered to sell, in the projected settlement; and in reference to the tender which Mr. Angas has made of the resignation of his seat at your Board, if, under such circumstances, Lord Glenelg should think that measure desirable, I have received his Lordship's directions to address the following communication to you.

The established reputation, both in the commercial world and in private life, of the gentleman in whose person this question has arisen precluding the possibility that any decision of it could be ascribed to a failure of respect for him, Lord Glenelg finds himself unembarrassed in stating distinctly the grounds on which he thinks it right to proceed.

No case could present to His Majesty's Government stronger inducements than that of Mr. Angas to sacrifice the general principle involved in this inquiry to the advantage to be drawn from the zeal, ability, and character of the party whose continuance in the public service it affects. So much importance, however, does Lord Glenelg attach to that principle, that he is prepared to adhere to it, even though at the expense of losing Mr. Angas's assistance in the execution of your commission.

That principle is, that no commissioner who has acquired any personal interest, whether direct or indirect, whether of great magnitude or trifling amount, in any contract entered into with the Board, can any longer continue a member, but must be regarded as thenceforth disqualified to act in that capacity, and will be expected to tender an immediate resignation.

Paper delivered in by G. F. Angas, Esq. 4 March 1841.

The necessity for a rigid adherence to this rule appears to Lord Glenelg to admit of an easy and complete proof.

The commissioners for the sale of the waste lands in South Australia have undertaken a trust of no ordinary importance and delicacy.

In the discharge of it they will of course be watched with that constitutional jealousy, which is directed towards the proceedings of all public servants, and more especially of those to whom the receipt and management of any branch of the public revenue is confided.

It is not merely from a just concern for the good estimation of the world, but from regard for the success of the undertaking, that the commissioners will studiously avoid whatever could give occasion to an imputation, plausible even if unfounded, on the purity of their official conduct. But such censures would infallibly be provoked, and would not be easily repelled, if any commissioner should become interested in his individual character in any contract into which he might enter in his public capacity. Lord Glenelg readily acknowledges that the case of Mr. Angas is far less strong than it would have been if the contract into which he has entered with the Board had been made by him, not as one of the members of a numerous society, but on his own separate account. In that case there would have been no place for discussion; and the retirement of Mr. Angas would have been the inevitable and immediate consequence of the contract. But his pecuniary interest as a member of the proposed company, if insignificant in amount, yet brings him within the reach of the principle to which I have referred. The motives for regarding it as a disqualification have indeed, in some respects, peculiar strength, because his position in the company must be so conspicuous as to excite general attention to the question, how far the two duties are compatible; and because, when the magnitude of the transactions in which the company are engaging in South Australia is considered, Lord Glenelg feels that, if it be permitted to any man at once to act as a commissioner and to aid in directing the operations of the company, the time cannot be very remote when the two bodies will be entirely amalgamated, and when the policy, consequently, which suggested the enactment of this statute will be defeated.

Lord Glenelg would further remark, that if (yielding to a reasonable solicitude to retain that gentleman's services) he should waive the objection in the case of Mr. Angas, it would be practically impossible to enforce the rule on any future occasion. His Majesty's Government could not, on questions of this nature, shape their course in reference to distinctions of personal character, favourable to one man, and unfavourable to another.

For these reasons, although with reluctance, Lord Glenelg accepts the resignation which Mr. Angas has tendered of his seat at your Board. That gentleman's anxiety to avoid even the remotest appearance of concealment having induced him to announce the difficulty immediately upon its having arisen, and the question having received no previous determination or discussion, Lord Glenelg does not hold himself bound to subject the public to the inconvenience of the immediate retirement of Mr. Angas, if it can be avoided.

If that gentleman should be disposed to continue his services as a commissioner until a successor can be appointed, Lord Glenelg will thankfully accept them; but on the condition, that his seat be vacated within three months, at furthest, from the present time.

I am, &c.

(signed) *Jas. Stephen.*

My Lord, London, 22 October 1835.

Your Lordship's communication of this date to the Colonization Commissioners of South Australia has been made known to me. My own judgment so entirely approves of the principle upon which my resignation has been accepted, that I do not hesitate a moment to place myself in readiness to withdraw from the Board on the appointment of my successor. Although in the discharge of my duty of a Commissioner I have only done what my Sovereign had a right to require of me, yet I cannot feel otherwise than abundantly rewarded for those insignificant services by the terms of approbation in which your Lordship is pleased to speak of the course I have felt it my duty to take under such unforeseen and peculiar circumstances. I anticipate the hope that my future services in the situation which the kindness of the directors of the South Australian Company has placed me, as chairman of the company, will neither be lost to the colony nor to the public, should it please the Divine Providence to afford me the necessary health and ability.

I am persuaded that the directors of the company do not contemplate any movement at variance with the best interests of South Australia, or that can be otherwise than beneficial to the neighbouring colonies, and also to the mother country. On the contrary, if they should be so happy as to meet with the approbation of His Majesty's Government, they will be able in due time to afford such supplies of salt provisions, and facilities of communication for the transit of goods and passengers, as the present separated condition of the existing colonies in New Holland renders so extremely desirable, and which cannot fail to be beneficial to them as well as to the nation.

I have, &c.

To the Right Hon. Lord Glenelg, &c. &c. (signed) *G. F. Angas.*
London.

(Enclosed under cover to Jas. Stephen, Esq.)

Paper delivered in by G. F. Angas, Esq. 4 March 1841.

Sir, London, 22 October 1835.

I HAVE the honour to enclose a letter to Lord Glenelg, in acccordance with the tenor of your communication to the Colonization Commissioners of South Australia.

Allow me to embrace the present occasion to express to you the grateful sense of my feeling for the kindness so manifest in the tone of that letter, and in the interview with which you favoured me at your office.

In accordance with your suggestion, at that time, I made inquiry for a gentleman, whom of all others I considered most desirable to fill the vacancy created by my retirement, and I am most happy to state, that if it be the pleasure of His Majesty's Government to appoint him, he will endeavour to discharge the duties of the office to the best of his ability. The gentleman I allude to is Mr. Jos. Roberts, of Camberwell, who was an American merchant, but has been long retired from business with a considerable property, and has since then devoted his time to public duties. I think he is not altogether unknown to his Lordship, having long been a member of the Committee of the British and Foreign Bible Society.

Should he be selected to fill my place, I am confident that no inconvenience will arise to the public service from my retirement.

I have, &c.
(signed) *Geo. F. Angas.*

To Jas. Stephen, Esq. &c. &c.
Downing-street.

South Australian Commission, 6, Adelphi Terrace,
Sir, 30 October 1835.

I AM directed by the Colonization Commissioners for South Australia to acknowledge the receipt of your letter of the 22d instant, communicating Lord Glenelg's acceptance of the resignation on the part of Mr. Angas of his seat at their Board, and to express the regret they feel at the loss of Mr. Angas's important services, but at the same time their entire acquiescence in the necessity of the measure.

I have, &c.
(signed) *Rowland Hill,*
Secretary.

To James Stephen, Esq.
Colonial-Office.

Sir, London, 19 December 1835.

As the Commissioners for the Colonization of South Australia have accomplished all the preliminary objects required of them by the Act of Parliament for the establishment of the new colony, and thereby laid the foundation for their future operations, which are not likely to be obstructed by any formidable difficulty, I trust I may now be permitted, without impropriety, to request you to release me from that honorary attendance at your Board which I have since given, at Lord Glenelg's suggestion, as communicated to you in his Lordship's despatch of 22d October last, wherein it is said, " Lord Glenelg accepts the resignation which Mr. Angas has tendered of his seat at your Board." The duties of my office as chairman of the South Australian Company, to effect the establishment of which I resigned my seat at your Board, with the approbation of His Majesty's Government and that of the Commissioners, require all the time and attention that I can possibly give to them, and by which I think I can promote the welfare of the colony more effectually than by my attendance at your Board.

I hope this will be accepted as sufficient reason for the course I now feel it my duty to take.

I embrace this opportunity of tendering you and the other members of your Board my best thanks for the courteous and kind manner in which they have always conducted themselves towards me since I first had the honour of being associated with them in the commission for the colonization of South Australia.

With the further request that you will intimate the withdrawal of my attendance at your Board, and the reasons for it, to His Majesty's Government,

I have, &c.
(signed) *Geo. Fife Angas.*

To Colonel Torrens, F.R.S.
Chairman of the Board of Commissioners
for South Australia,
Adelphi Terrace, London.

Paper, No. 10.

PAPERS delivered in by Colonel *Torrens*, 5 March 1841.

(1.)—DRAFT proposed to be substituted by Colonel *Torrens*, for the Letters to the Colonial Department, dated August 26th and September 17th.

South Australian Colonization Office,
26 August 1840.

My Lord,

South Australian Commissioners to Lord J. Russell, 26 August 1840.

We feel it to be our duty to lay before your Lordship a full explanation of the situation in which the colony of South Australia is now placed, in consequence of our inability to carry into effect the provisions of the South Australian Acts; and at the same time to submit for your Lordship's consideration the measures which, as we conceive, it would be expedient to adopt, in order to avert or mitigate the impending calamity.

By the 4 & 5 Will. 4, c. 95, it is provided that the proceeds realized by the sale of public land shall be applied without deduction in conveying emigrants of the labouring class to the colony; and by the 1 & 2 Vict. c. 60, it is provided that when advances are made from the Land Fund to the Revenue Fund the Colonization Commissioners shall raise money by the issue of colonial revenue securities in order to replace such advances, and thus to maintain inviolate the principle of the preceding Act, which requires that the whole of the proceeds obtained by the sale of public land shall be employed without deduction as an emigration fund.

We beg to submit to your Lordship, that under these enactments every purchaser of public land in South Australia is entitled to claim as an essential condition of his contract, that the whole of his purchase-money shall be employed in conveying labour to the colony. If a loan be not raised to replace to the Emigration Fund the sums which have been withdrawn from it, the purchasers of land in that province will have a just right to complain that their contract has been violated, and that they have been the subjects of deception and of fraud. We as Colonization Commissioners, appointed by the Crown to carry the provisions of the South Australian Acts into effect, and to fulfil the contracts under which lands in South Australia have been sold, do not, as forming a subordinate department of Her Majesty's Government, possess the necessary weight and influence for contracting public loans and controlling the expenditure of distant colonies; and we are therefore under the necessity of applying to the Lords of Her Majesty's Treasury to enable us to fulfil the contracts which have been made under the sanction of the Legislature and of the Government.

As regards the consequences which would result from a failure to replace the sums which have been withdrawn from the Emigration Fund, we can do little more than renew the representation submitted to your Lordship in our letter of the 7th July. We stated in that communication, that the non-replacement of the sums withdrawn from the Emigration Fund would be in the highest degree injurious to the colony, and, as regards the colonists, would amount to a breach of public faith. The persons who have settled in South Australia under the provisions of the existing Acts, did so in the expectation that the provisions of those Acts would have practical operation, and that the whole of the proceeds obtained by the sale of public land would be ultimately employed in directing a continuous stream of emigration to the colony. The interruption of this stream would now be ruinous. All the industrial arrangements of the colony have been made in accordance with its assumed continuance. Land has been purchased under the belief that labour would be obtainable for its cultivation; houses have been erected in anticipation of the demands of inflowing emigrants, and in all the branches of business the employment of capital has received its direction from the expectation that population would continue to increase under the action of the whole fund created by the land sales. The disappointment of this expectation, upon which the whole business of the colony has hitherto been conducted, could not fail to be followed by the most disastrous consequences, by the loss of property, the destruction of capital, the suspension of industry, and by extensive destitution.

If we do not obtain the guarantee of Her Majesty's Government in raising the loan required by the Act of Parliament to replace the Emigration Fund, other dangers of the most serious character will arise. In order fully to explain the nature and extent of these dangers it will be necessary to recur to the circumstances under which the colony was established.

When it was determined to found the colony of South Australia, the first steps in the process should have been to examine the country, to fix a boundary comprising a sufficient extent of available soil, and to survey such a quantity of land as might enable the first settlers

settlers to enter at once on their locations, and commence their operations by raising for themselves the first necessaries of life. This safe and proper course was rendered impracticable by the South Australian Act. In compliance with the provisions introduced into that Act, it became necessary to sell in this country extensive tracts of land in the proposed colony before any preparations could be commenced for exploring and surveying the districts to be settled. The consequences were that the settlers on arriving in the colony were precluded from commencing their operations by raising for themselves the first necessaries of life, and that their only alternative was to employ themselves in the erection of houses and other town occupations, while waiting to obtain possession of their land.

South Australian Commissioners to Lord J. Russell, 26 August 1840.

From these causes the settlement in South Australia was planted in a manner altogether different from that in which the settlements emanating from the expansion of the colony of New South Wales have been established. At Port Philip the emigrating flocks from the earlier settled districts of New South Wales had overflowed on the neighbouring pastures long before any considerable progress was made in erecting a town. At Adelaide the process was reversed, and the town was laid out and numerous buildings constructed before any considerable progress had been made in occupying the soil. Hence at Port Philip the capital of the settlers is principally circulating capital perennially reproductive; while in South Australia the principal portion of the capital of the settlers is fixed capital not perennially reproductive in itself, but deriving its value from the anticipated demand of the circulating capital which it is calculated to aid. This difference in the economical condition of the two settlements will, at no distant period, disappear from the growth of towns in the district of Port Philip, and the increase of stock in South Australia. But so long as the difference may continue, the settlers in South Australia, from no fault or miscalculation of their own, will be more exposed than the inhabitants of adjacent colonies to checks, revulsions, and privation.

This being the actual condition of the colony of South Australia, as regards production, we solicit attention to the fearful crisis which may occur, should we be compelled, for want of funds, to dishonour the bills drawn upon us by the Resident Commissioner. A population, which must now be estimated at from 13,000 to 15,000 souls, subsists almost exclusively upon imported provisions, paid for, not by exported produce, but by bills. Should the Governor's bills be dishonoured, and should panic ensue, the inevitable consequence would be a suspension of supplies from the neighbouring colonies. The danger is most appalling; and, in order that we may be enabled to avert it, we appeal to Her Majesty's Government to be placed in a condition to honour the bills drawn upon us by the Resident Commissioner, during the period which must elapse before he can receive the peremptory instructions which have been forwarded to him, to limit his expenditure to the amount authorized by the Lords of the Treasury.

The immediate measure which, under these circumstances, we should venture to recommend is, that Her Majesty's Government should guarantee a loan of 210,000 *l.*, to be raised by the Colonization Commissioners upon the security of the revenues and unsold lands of the province of South Australia. Of this loan 120,000 *l.* would complete the residue of the sum of 200,000 *l.*, authorized by the Act 4 & 5 Will. 4, c. 95, to be raised for the establishment of the colony, and the government thereof; while the remaining 90,000 *l.* of the proposed loan would be raised under the authority of the 1st & 2d Vict. c. 60, the third section of which Act requires that money shall be raised upon colonial revenue securities, for the purpose of replacing whatever sums may be borrowed from the Emigration Fund.

We now beg permission to explain to your Lordship the grounds of our belief that the guarantee of the loan which we have suggested, while it arrested the calamities with which the colony is threatened, would prove the most effectual means of protecting the public purse. The circumstances are such, that timely aid, in the form of credit, may prevent the necessity of any actual advance of money. The resources of the colony are rapidly improving. By the last advices, the number of sheep was estimated at about 150,000; flocks, both of sheep and cattle, in quick succession, were arriving overland from New South Wales; and tillage had commenced with highly promising results, and was proceeding upon an extended scale. The extraordinary and unauthorized expenditure which has caused the present difficulties must contribute, if a financial crisis can be averted, to render the progress of the colony more rapid than it would otherwise have been, inasmuch as the public works, on account of which a large portion of that expenditure was incurred, are calculated to make industry more productive, by opening communication and reducing the expense of transport. If the stream of emigration can be kept up, and the credit of the Colonial Government can be sustained, it would appear morally certain that the ordinary sources of revenue, and the proceeds of the sales of public land, may afford adequate security for the interest and principal of the additional loan which is now required. By the last advices from the colony, the ordinary revenue was yielding at the rate of 21,000 *l.* per annum; and in the course of the last year the proceeds of the sales of public land amounted to 160,000 *l.*

Under these circumstances the Government would possess the most perfect security that the interest and principal of the colonial loan of 210,000 *l.* which it might guarantee, could be paid in full out of the growing resources of the colony, were it not that the district of South Australia in which fertile lands have been found, is probably too limited in extent to constitute a separate and independent province. But this only source of danger to the public purse the Government may altogether avert, by extending the south-eastern boundary of the colony in the way in which, in our letter of the 7th July, we ventured to suggest.

South Australian Commissioners to Lord J. Russell, 26 August 1840.

Experience has proved that the plan upon which the colony of South Australia was established was essentially erroneous. The expedients which were devised, for the purpose of divesting the Government of pecuniary responsibility, have had a practical effect directly opposite to that which was intended. The situation and boundaries of the province were fixed by Act of Parliament before any adequate knowledge of the country had been obtained; the money required for defraying the preliminary expenses of establishing the colony was raised at an exorbitant rate of interest; while the divided powers created by the Act, by leading one party to conceive that they were upholding the prerogative of the Crown, by weakening the influence of the Colonization Commissioners, and another party to imagine that, by opposing the representative of the Crown, they were defending the peculiar principles of the colony, occasioned such a relaxation of authority, that the administrative functionaries in the colony deemed themselves at liberty to act upon their own responsibility and discretion, regardless of the most precise and positive instructions. The incongruous scheme upon which South Australia was established has now broken down; and the only means by which the principle of self-support can be brought into practical operation is for the Government to retrace its steps, and to take into its own hands the financial responsibility and control.

From the explanations which we have now endeavoured to afford, your Lordship will perceive that we ask for the guarantee of the Government for the proposed loan on the twofold ground of justice and economy.

1st. The British subjects who have established themselves in South Australia, under the sanction of an Act of Parliament, and upon the self-supporting principle, have a right to demand from the Legislature and the Government, not merely the complete fulfilment of the conditions upon which their lands were purchased, but also an exemption from every species of unnecessary charge. They have an equitable claim to indemnity for the expense which has been entailed upon them by the necessity to which they were subjected of borrowing money at an exorbitant rate of interest, as a guarantee to Government, and also for the loss and danger which they incurred in consequence of being obliged to purchase their land before any preparation could be made for placing themselves on their locations, and enabling them to supply themselves with food. The danger of destitution to which the colonists would be exposed, were the credit of the colony destroyed by the rejection of the Governor's bills, is created by the provisions of the South Australian Acts, and is, therefore, one which the Legislature and the Government are called upon, if it be practicable, to avert.

2d. The colony of South Australia, containing a population estimated at from 13,000 to 15,000 souls, cannot be left without a Government. If its progress is checked and its prosperity suspended, the self-supporting principle cannot be carried out, and it must become, like many other Crown colonies, a permanent burthen upon the resources of the mother country. On the other hand, if the Home Government will grant to the colony an equitable territorial indemnity for the unnecessary expense and loss occasioned by the provisions of the original Act, and will guarantee a loan to the amount required to replace the Emigration Fund, and sustain the credit of the colonial Government, a real guarantee fund will be thereby created, affording complete security against any charge falling upon the public purse, on account either of the interest or principal of the required loan.

The boundaries of the province of South Australia, as determined by the Act of Parliament, before the character of the country was sufficiently known, do not, it is to be feared, comprise a sufficient extent of fertile land for the establishment of a colony capable of self-support. This original but only recently-discovered error it is now expedient to correct by exchanging a portion of the unavailable territory in the direction of the east and south. We would recommend that the eastern boundary should embrace a tract of country containing not less than 500,000 acres of sufficient fertility to be sought for at the present uniform price of 1*l.* per acre; and that early in the ensuing Session of Parliament a Bill may be introduced, authorizing such alteration in the boundary of the province, and appropriating to the payment of the interest and principal of the loan guaranteed by Government, one-half of the proceeds obtained by the sale of land in the new territory.

In conclusion, we beg permission to repeat our conviction, that should the measures we have ventured to suggest be adopted, and the loan required to sustain the credit of the Colonial Government, and to replace, as required by the Act of Parliament, the sums borrowed from the Emigration Fund, be raised under guarantee of Her Majesty's Government, and secured upon an extension of territory as above described, the present difficulties will be overcome; the population and wealth of the colony will continue to increase as they hitherto have done, and the growing revenue, with the proceeds of the sale of public land, will prove amply sufficient to pay the interest and principal of the additional debt, and to avert the necessity of any actual advance from the public purse on account of the colony of South Australia.

We have, &c.

The Right hon. Lord John Russell.

(2.)—STATEMENT of SHIPPING arrived in *Port Adelaide*, from 1 January to 31 December 1839.

Shipping at Port Adelaide, 1839.

DATE.	NAME.	TONS.	WHERE FROM.	CARGOES.
1839:				
January 1	Glenalvon	212	London	passengers, &c.
— 1	Zebra	350	Altona	emigrants.
— 10	Socrates	152	Launceston	colonial produce.
— 16	Orleana	648	Liverpool	passengers, &c.
— 16	Prince George	482	London	- ditto.
— 16	Eagle	108	Launceston	sheep.
— 17	Indus	422	Dundee	passengers, &c.
— 22	Catharina	350	Hamburgh	merchandize.
— 25	Bardaster	434	London	passengers, &c.
— 26	Porter	250	Liverpool	- ditto.
— 26	Dorset	80	- ditto	merchandize.
— 26	Victoria	25	Kangaroo Island	potatoes.
— 28	Nereus	149	Sydney	merchandize.
— 29	True Love	133	Hobart Town	timber, &c.
— 29	Lady Emma	135	Launceston	sheep and flour.
— 30	Black Joke	113	- ditto	sheep and horses.
— 30	John Dunscombe	88	- ditto	sheep and passengers.
— 31	Lord Hobart	190	Hobart Town	- - ditto.
Feb. 11	Resource	417	London	emigrants, &c.
— 14	Platina	303	- ditto	- ditto.
— 18	John Dunscombe	88	George Town	sheep.
— 19	Eagle	108	Launceston	ditto.
— 19	Henry Freeling	96	Port Phillip	ditto.
— 19	Adelaide	258	- ditto	ditto.
— 22	Elizabeth	51	Launceston	ditto.
— 23	Black Joke	113	- ditto	ditto.
— 25	Lindsays	220	Sydney	ditto.
— 27	Abeona	105	Hobart Town	merchandize.
— 28	Thomas Harrison	355	London	passengers, &c.
— 28	Britomart	243	Hobart Town	sheep.
March 1	Lady Mary Pelham	206	Launceston	ditto.
— 1	John Dunscombe	88	- ditto	ditto.
— 2	Nereus	149	Port Lincoln	passengers.
— 2	Victoria	25	- ditto	- ditto.
— 2	Henry Wellesley	304	Batavia	sugar.
— 3	David Witton	270	Port Phillip	sheep.
— 3	Lady Emma	135	Launceston	sheep, horses.
— 9	Mumford	168	- ditto	sheep.
— 16	Fox	222	Rio de Janeiro	produce.
— 17	Black Joke	113	Launceston	sheep.
— 20	Caroline	162	Hobart Town	sundries.
— 21	Katharine Stewart Forbes	457	London	passengers, &c.
— 21	D'Auvergne	440	- ditto	emigrants, &c.
— 21	Dawsons	227	- ditto	merchandize.
— 22	Buckinghamshire	1,468	- ditto	emigrants, &c.
— 23	Eagle	108	Launceston	sheep.
— 28	John Dunscombe	88	- ditto	ditto.
— 28	Lowestoft	117	- ditto	sundries.
— 29	Lady Mary Pelham	206	- ditto	sheep.
April 1	Elizabeth	51	- ditto	ditto.
— 1	Lady Emma	136	- ditto	sundries.
— 2	John Pirie	105	Sydney	ditto.
— 3	Welcome	220	Greenock	passengers, &c.
— 8	Truelove	133	Launceston	sheep.
— 9	Sally Ann	59	Portland Bay	produce.
— 9	Henry Freeling	96	Launceston	sheep, horses.
— 16	Brazil Packet	172	- ditto	- ditto.
— 16	Mumford	169	- ditto	- ditto.
— 16	Tamer	117	- ditto	sundries.
— 16	Lindsays	220	Twofold Bay	cattle and sheep.
— 21	Merope	312	Launceston	sundries.
— 21	Adelaide	258	- ditto	- ditto.
— 28	Lookin	78	- ditto	- ditto.
— 28	Dorset	80	Port Lincoln	passengers.
— 29	Charlotte	96	Launceston	- ditto.
May 4	Fairfield	434	Liverpool	goods, passengers.
— 6	Lady Emma	135	Launceston	sheep.
— 6	Black Joke	113	- ditto	sheep, horses.
— 6	John Dunscombe	88	- ditto	sheep.
— 9	Alma	302	Hamburgh	wines and goods.
— 13	Resource	417	Port Phillip	sheep.

Shipping at Port Adelaide, 1839.

DATE.	NAME.	TONS.	WHERE FROM.	CARGOES.
1839:				
May - 14	Eagle	108	Launceston	sheep.
— 16	Planter	347	London	emigrants, &c.
— 19	Charlotte	96	Launceston	sheep.
— 19	Abeona	106	Hobart Town	sundries.
— 19	Truelove	133	Launceston	sheep, horses.
— 19	Hero	36	- ditto	sundries.
— 22	Thomas Harrison	355	Port Phillip	sheep.
— 23	Rapid	162	Launceston	general cargo.
— 24	Lady Mary Pelham	206	- ditto	sheep, horses.
— 25	Lord Hobart	190	- ditto	sheep.
— 27	Black Joke	113	- ditto	ditto.
— 27	Mumford	169	- ditto	merchandize.
June - 7	Eagle	108	- ditto	sheep.
— 7	Sir Charles Forbes	363	Liverpool	passengers, &c.
— 7	William	149	Launceston	general cargo.
— 8	Essington	125	Port Essington	Timor ponies.
— 9	Dorset	80	Port Lincoln	ballast.
— 9	David	204	New Zealand	timber, potatoes.
— 9	Water Witch	30	King George's Sound	produce.
— 16	H. M. S. Herald	—	Trincomalee.	
— 16	Lady Emma	135	Launceston	sheep, horses.
— 17	Katharine Stewart Forbes	457	- ditto	- ditto.
— 18	Lady Bute	384	Greenock	passengers, &c.
— 20	Hooghly	465	London	- ditto.
— 23	Ganges	430	- ditto	- ditto.
— 24	Minerva	122	Launceston	sundries.
— 26	Dawsons	227	- ditto	- ditto.
— 29	John Dunscombe	88	- ditto	sheep.
— 29	Tamar	117	- ditto	ditto.
July - 4	Seppings	350	London	passengers, &c.
— 4	Fox	222	Launceston	merchandize.
— 4	Eagle	108	- ditto	sheep.
— 4	Henry Freeling	96	- ditto	horses, flour.
— 6	Lysander	500	Liverpool	passengers, &c.
— 6	Exporter	250	Timor	Timor ponies.
— 14	Lady Emma	135	Launceston	sheep.
— 16	Asia	500	London	passengers, &c.
— 18	City of Adelaide	280	- ditto	- ditto.
— 19	Abercromby	143	Sydney	- ditto.
— 19	Lowestoft	117	Launceston	goods.
— 24	William	149	- ditto	ditto.
— 24	Abeona	106	Hobart Town	provisions.
— 24	Sally Ann	59	Portland Bay	potatoes.
— 27	Samuel Baker	209	Hobart Town	merchandize.
Aug. - 2	Mary Ridgway	217	London	- ditto.
— 3	Charlotte	96	Launceston	sundries.
— 7	John Pirie	106	Sydney	- ditto.
— 7	Eudora	208	Hobart Town	- ditto.
— 7	Socrates	150	Launceston	- ditto.
— 8	Eagle	108	- ditto	sheep and horses.
— 18	Ariadne	500	Greenock	passengers, &c.
— 22	Louisa	200	Sydney	merchandize.
— 22	Somersetshire	440	London	passengers, &c.
— 24	Freak	180	Sydney	merchandize.
— 24	Georgiana	450	Leith	passengers.
— 29	Dawsons	227	Launceston	sundries.
Sept. - 1	Lulworth	80	Madras	merchandize.
— 2	Dorset	80	Sydney	goods.
— 2	Prince George	450	Calcutta	passengers, &c.
— 2	Pleiades	360	Lombock	rice, sundries.
— 3	William	149	Launceston	hay, sundries.
— 3	Lowestoft	117	- ditto	general cargo.
— 4	Lady Emma	135	- ditto	- ditto.
— 6	Eagle	108	- ditto	- ditto.
— 6	Speculator	96	Sydney	rice and sugar.
— 10	Abeona	105	Port Lincoln	ballast.
— 15	Lord Hobart	190	Hobart Town	merchandize.
— 18	Glenswilly	632	Greenock	passengers, &c.
— 20	Recovery	483	London	- ditto.
— 20	Anna Robertson	448	- ditto	- ditto.
— 20	Rapid	169	cruising trip	ballast.
— 21	Alice Brooks	212	Liverpool	passengers, &c.
— 25	Prince Regent	400	London	- ditto.
— 27	Lady Lilford	600	Liverpool	- ditto.
Oct. - 1	Waterwitch	30	Encounter Bay	oil.
— 2	Francis	14	- ditto	ballast.
— 6	Katharine Stewart Forbes	457	Hobart Town	timber, &c.

Shipping at Port Adelaide, 1839.

DATE.	NAME.	TONS.	WHERE FROM.	CARGOES.
1839:				
Oct. 10	Skerne	130	Sydney	merchandize.
— 10	Dumfries	468	London	passengers, &c.
— 14	Exporter	216	Sydney	goods.
— 16	Mary Mallaby	178	Launceston	general cargo.
— 18	Lowestoft	117	- ditto	- ditto.
— 18	Strathisla	387	Timor	Timor horses.
— 18	Mary Ann	16	Encounter Bay	whaling party.
— 19	Victoria	25	Kangaroo Island	sundries.
— 20	Hero	39	Encounter Bay	whaling party.
— 22	Lady Emma	135	Launceston	horses, &c.
— 24	Superb	632	Greenock	passengers, &c.
— 28	Palmyra	464	- ditto	- ditto.
— 28	Abeona	106	Port Lincoln	ballast.
Nov. 2	Truelove	133	New Zealand	timber.
— 3	Minerva	122	Launceston	sundries.
— 11	Singapore	303	London	emigrants, &c.
— 12	Victoria	25	Kingscote	stores.
— 12	Mary Anne	16	- ditto	ditto.
— 14	Jane Flaxman	20	Port Lincoln	ballast.
— 23	Kate	62	Sydney	flour, sundries.
— 23	Hero	160	Singapore	sugar, &c.
— 24	Alice	30	Port Lincoln	wool and fish.
— 26	Elizabeth	100	Swan River	merchandize.
— 26	Lady Emma	135	Launceston	flour, horses.
— 28	Victoria	25	Kangaroo Island	stores.
— 28	Waterwitch	30	Encounter Bay.	
— 29	Alice	30	Port Lincoln	sundries & passengers.
Dec. 7	Dorset	80	Port Phillip	- ditto - ditto.
— 9	Porter	250	Hobart Town	- ditto - ditto.
— 10	Rapid	162	Launceston	sheep, horses and passengers.
— 12	Christina	—	Sydney	sundries & passengers.
— 12	Adelaide	258	New Zealand	- ditto ditto.
— 23	Moffatt	821	London	- ditto - ditto.
— 26	William Barras	—	- ditto	- ditto - ditto.
— 21	Caroline	330	- ditto	- ditto - ditto.
— 21	Cleveland	450	- ditto	- ditto - ditto.
— 21	Delhi	358	Liverpool	- ditto - ditto.
— 26	Agenoria	—	Hobart Town	- ditto - ditto.
— 26	Lowestoft	117	Launceston	- ditto - ditto.
— 27	Duchess of Northumberland.	541	London	- ditto ditto.
— 27	Parkfield	—	Port Phillip	- ditto - ditto.
— 28	James Holmes	—	Singapore	- ditto - ditto.
190 Ships.	Tons	40,089		

Paper, No. 11.

PAPER delivered in by *G. F. Angas*, Esq. 18 March 1841.

Paper delivered in by G.F. Angas, Esq. 18 March 1841.

Topographical Collection of Rocks and Minerals from the Ranges of Hills in *South Australia*.
By *J. Menge.*

Class (A.)—*Formations of Granite.*

1 Granite; consisting of white feldspar, which is the predominant part, grey quartz, and silverwhite mica. From Jacob's Glen, Barossa Range.
2 Coarse-grained granite; consisting of predominant quartz and large leaves of mica. From the same Glen.
3 Granite, with black and white mica. Lyndoch Valley, Barossa Range.
4 Granite, with red pyknite. Sieland's Creek, Barossa Range.
5 Granite, with cyanite. From the same place.

Remark.—The formations of granite are subordinate in the Barossa Range, but predominant in the ranges along Spencer's Gulf.

Paper delivered in by G.F.Angas, Esq. 18 March 1841.

CLASS (B.)—*Formations of Gneiss.*

6 Small-grained gneiss, with black and white mica. From the foot of Kayserstool, Barossa Range.
7 Shistous of gneiss, containing garnet. From Jacob's Glen, Barossa Range.
8 Gneiss, with oxyde of iron. Kayserstool.
9 Table gneiss, consisting mostly of quartz and mica. Menge's Island, Barossa Range.
10 Idem, with amphibole. From the same place.
11 Idem, with amphibole and warellite. From the same place.
12 Granulated omphacite, with iron pyrites. Middle Gawler, Belvidere Range.
13 Compact and fibrous omphacite. German Pass, Barossa Range.
14 Amphibole, in slaty quartz. Rowland's Creek, Barossa Range.
15 Actinolithe. Middle Gawler, Belvidere Range.
16 Idem, with epidote. Same place.
17 Idem, with feldspar. Ditto.
18 Actinolithe, partly crystallized. Lyndoch Valley, Barossa Range.
19 Fibrous actinolithe, in the form of asbestous. Same place.
20 Gawlerite; a new mineral. Same place.
21 Silk asbestous, with talc. Amianthe-place, Middle Gawler.
22 Idem, with hornstone. Same place.
23 Idem, with arsenical pyrites. Same place. (In the same strata there occur iron pyrites and copper ore.)
24 Common asbestous. Same place.
25 Wood asbestous. German Pass to Flaxman Valley, Barossa Range.

Remark.—The numbers from 12 to 25 form different veins and strata in the formations of gneiss.

CLASS (C.)—*Formations of Mica Slate.*

26 Mica slate, the predominant mica, tombac brown. Barossa Range.
27 Idem, the mica silverwhite. Rowland's Creek, Barossa Range.
28 Idem, cleft by iron ochre. Rowland's Creek, Barossa Range.
29 Mica slate, with red oxyde of iron. Lyndoch Valley.
30 Waved mica slate. German Pass, Barossa Range.
31 Mica slate, the quartz predominant. Light's Pass, Barossa Range.
32 Mica slate, partly with iron mica. German Pass, Barossa Range.
33 Mica slate, with rheticite. Light's Pass, Barossa Range.
34 Idem, with feldspar. Jane Valley, Hercinien Range.
35 Idem, with variolithe. Light's Pass, Barossa Range.
36 Horn slate striped. Rowland's Creek.
37 Idem, with oxyde of chrome. Same place.
38 Hornstone, with tin ore. Same place.
39 Grey talc slate. Same place.
40 Green talc slate. Osmond River, Hercinien Range.
41, 42 Straight-leaved talc slate, different colours, with crystals of chlorite. Osmond River, Hercinien Range.
43 Undulating-leaved talc slate. Same place.
44, 45 Talc slate, with crystals of staurotide. Jane Valley, Hercinien Range.
46 Talc, with quartz. Rowland's Creek.
47 Idem, with crystals of iron ore. Same place.
48 Talc-stone (indurated talc). Lyndoch Valley.
49 Yellow foliated talc. Same place.
50 Red foliated talc. Ditto.
51 White foliated talc. Rowland's Creek.
52 Flowery foliated talc. Same place.
53 Granulated talc, with feldspar. Same place.
54 Green soapstone, in half-dissolved feldspar, with quartz. Same place.
55 White soapstone mixed with quartz. Rowland's Creek.

Remark.—The numbers from 36 to 55, occur stratified with mica slate.

CLASS (D.)—*Formations of Magnesian Limestone.*

These Formations, and the following, under Class (E.) are peculiar to South Australia.

56 Earthy magnesian limestone, with talc. Osmond River, Hercinien Range.
57 Yellow magnesian limestone, with talc. Jane Valley, Hercinien Range.
58 Compact magnesian limestone, with talc. Same place.
59 Striped ditto, with talc. Same place.
60 Granulated ditto, with grammatite. Same place.
61 White marble. Carrara Hill, Hercinien Range.
62 Coarse-grained magnesian limestone. Same place.
63 Grey slaty magnesian limestone, with traces of encrinites. Same place.
64 White bidderspar. German Pass to Flaxman Valley, Barossa Range.
65 Grey bidderspar. German Pass.
66 Bidderspar, in limestone. Same place.
67 Limestone, with oxydule of iron. Same place.
68, 69 Oxydule of iron, in carbonate of iron. German Pass, Barossa Range.
70 Idem, with Asbestous. Same place.
71 Carbonate of iron, with iron oxydule. Same place.
72 Compact iron-glance, with red and yellow iron ochre. Lyndoch Valley.
73 Brown ironstone, with yellow iron ochre and veins of lime. Same place.
74 Idem, with talc and quartz. Rowland's Creek.

CLASS (E.)—*Formations of Magnesian Silex.*

75 Magnesian opal, with talc. Flaxman Valley, Barossa Range.
76 Idem, with green soapstone. Same place.
77 Idem, with talc and semi-opal. Same place.
78 Idem, with iron ochre. Same place.
79 Idem, with hydrophane. Same place.
80 Magnesian opal, with greenish wax opal. German Pass.
81 Tuffa of magnesian opal. Flaxman Valley.
82 Magnesian opal, with red semi-opal. Flaxman Valley.
83 Magnesian opal, with semi-opal, and iron ochre. Same place.
84 Brown opal, mixed with rheticite. Same place.
85 Brown semi-opal. Same place.
86 Yellow opal, with enclosed rheticite. Same place.
87 Opal, with chalcedony and iron pyrites. Same place.
88 Wood-opal, or magnesian-opal. Same place.
89 Wood stone. Same place.
90 Idem, with wood-asbestous. German Pass.
91 Chalcedony, with wood-opal. German Pass, Barossa Range.
92 Hornstone. Flaxman Valley.
93 Idem, with iron pyrites. Same place.
94 Idem, with lithomarge. Same place.
95 Idem, with an unknown metal. Same place.
96 Jasper, with chalcedony. German Pass.
97 Porous chalcedony. Flaxman Valley.

CLASS (F.)—*Formation of Trapp.*

98 Greenstone, with feldspar and amphibole. 99 Idem, with epidote. Same place. Rowland's Creek, Barossa Range.

CLASS (G.)—*Formation of Tuffa.*

100 Tuffa of lime. German Pass, Baossar Range.

Paper, No. 12.

PAPERS delivered in by *John Rundle*, Esq. M. P. 18 March 1841.

MUNICIPAL CORPORATION ACT for the City of *Adelaide.* (Passed the *Legislative Council of South Australia*, 17 *August* 1840.)—Colonel *George Gawler*, K. H. Governor.

AN ACT to constitute a Municipal Corporation for the City of *Adelaide.*

Municipal Corporation Act for the City of Adelaide.

WHEREAS, by the Third Annual Report of the Colonization Commissioners for South Australia, to Her Majesty's Principal Secretary of State for the Colonies, dated the 23d day of April, and ordered by the House of Commons to be printed the 13th day of May 1839, the expediency of giving to the several towns established, and about to be established in the said province, as they respectively acquire a population of 2,000 inhabitants, Elective Municipal Institutions, on the principles therein detailed, is recommended to the favourable consideration of his Lordship.

And whereas Her Majesty's said principal Secretary of State, by a despatch dated the 19th day of August 1839, addressed to his Excellency the Governor, recommends that measures should be taken for passing a local enactment embracing the principles therein mentioned: And whereas the city of Adelaide having attained a population exceeding the requisite amount, it is expedient, in compliance with the aforesaid recommendation, that the said city should now acquire an Elective Municipal Institution:—

Be it therefore enacted, by his Excellency Lieutenant-Colonel George Gawler, Knight of the Royal Hanoverian Guelphic Order, Governor and Commander-in-Chief of Her Majesty's province of South Australia, by and with the advice and consent of the Legislative Council thereof, as follows; that is to say,

1. That there shall be constituted, at the time and in the manner hereinafter mentioned, in and for the City of Adelaide, a Municipal Corporation for the well-being, good order, and government thereof, consisting of a Mayor, Aldermen, Common Councilmen, and Citizens; that is to say, of 19 common councilmen, of whom one shall be mayor, and three others aldermen, and of all the citizens therein who shall be enrolled in manner hereinafter mentioned, which Municipal Corporation shall be a body corporate, and shall have a common seal, and shall take and bear the name of "The Mayor and Corporation of the City of Adelaide," and by that name shall have perpetual succession, and shall and may sue and be sued in all legal proceedings, and shall be capable in law, by the council hereinafter mentioned, to take, hold, and convey lands, and generally to do and suffer all acts as a body corporate, under and subject to the provisions hereinafter contained.

2. That from and after the passing of this Act the boundaries of the said city, for the purposes of this Act, shall be the inner limits of the park or public lands originally laid down by the survey, and delineated in a map and plan thereof, executed by William Light, esq., first surveyor-general of the province, now deposited in the land office at Adelaide, and all public roads, bridges, streets, squares, terraces, areas, and spaces of land now existing, or hereafter from time to time to be formed within the said limits shall, in so far as necessary for carrying into effect the purposes of this Act, be vested in and be deemed the property of the said corporation, who shall have the control, management, and maintenance thereof: provided nevertheless, that subject to the reservation hereinafter mentioned, the powers and duties of the said corporation shall also extend over and comprehend the control, management, and maintenance of all roads and bridges which may now or hereafter be laid out, formed or constructed on the said park or public lands: provided also, that the rights of Her Majesty, her heirs and successors, and of the governor and council of the province, are hereby expressly reserved, and nothing herein contained shall prevent the governor in council aligning, or altering and varying the direction and condition of the public roads and thoroughfares leading through the park lands from time to time, or stopping up the same, and substituting others in lieu thereof, or generally exercising any act or power over the same which the governor in council may by law now competently exercise: provided also, that subject to the said reservation the powers and duties of the said corporation shall extend over and comprehend that part of the river Torrens and its tributaries included within the outer limits of the park or public lands, in so far as may be necessary for carrying into effect the provisions of this Act.

3. Provided also, and be it further enacted, that it shall be lawful for his Excellency the Governor, by and with the advice and consent of the legislative council, from time to time to extend the boundaries of the said city in such direction, and to include therein such suburban townships, villages, ports, or sea landing places, as from the increase of population or other circumstances he may deem fit, and the extended territory so included, and

Municipal Corporation Act for the City of Adelaide.

the proprietors and inhabitants thereof, shall be equally subject to the provisions of this Act, and possess the like privileges and immunities as if the same had been expressly herein described as forming a part of the said municipality.

4. That every male person of full age who shall at the date of the enrolment aftermentioned have been at least six months resident within the province, and be the proprietor of or occupier of any land, house, warehouse, counting-house, or shop within the said city of the annual value of not less than twenty pounds, actually residing within the said city, or within seven miles thereof, shall, if duly enrolled according to the provisions hereinafter contained, be qualified and entitled to vote as a citizen of the said corporation at the election of common councilmen after mentioned: provided always, that after any rate shall have been imposed in virtue of the provisions hereinafter contained, no such person shall be so enrolled in any year unless he shall have paid, on or before the 15th of July, all rates, if any payable by him, except such as shall have become payable within one calendar month next before: provided also, that no person being an alien shall be so enrolled, and that no person who within six months prior to such enrolment shall have received public charitable relief, or who within two years prior to such enrolment shall have been convicted of felony, or of a misdemeanor, followed by imprisonment of three months with hard labour under a sentence of any supreme or superior court, shall be so enrolled.

5. That for ascertaining the number of the qualified constituency, and revising the list of voters, as well as for conducting and declaring the election of common councilmen, a returning officer and two or more assessors shall be appointed in manner aftermentioned; that is to say, the bench of magistrates for the province assembling at Adelaide shall, and they are hereby required within fifteen days after the passing of this Act, to nominate and appoint a fit and proper person to execute the duties of returning officer, and two or more other fit and proper persons to execute the duties of assessors at, and preparatory to the first election under this Act, and the mayor for the time being, whom failing by indisposition or otherwise, such common councilman as may by the said common council be nominated for the time, shall be returning officer at and preparatory to all subsequent elections; and the said bench of magistrates shall annually, at the quarterly meetings in June, nominate and appoint two or more fit and proper persons to be assessors to the said mayor, and one fit and proper person to act as auditor in manner aftermentioned; and the said returning officer and assessors, or a majority of their number, shall have power to appoint polling-places and also such clerks and other officers as may be necessary for the proper conducting the registrations and elections under this Act, and to require the attendance and assistance of the town-clerk, collectors, and other officers appointed in manner hereinafter provided, to examine parties and witnesses upon oath or declaration, to call for the production of books and other writings and documents, and to administer the usual and requisite oaths and declarations of office to the mayor, aldermen, and common councilmen on their election; and the said returning officer and assessors shall also have power to make such adjournments and continuations of the days appointed for the business of registration and election, as circumstances may from time to time require.

6. That within not less than twenty-one days or more than thirty days from and after the passing of this Act, and annually on the first day of September thereafter, the returning officer for the time being appointed as aforesaid, shall cause advertisements to be inserted in the *South Australian Gazette*, and in each of the public newspapers in Adelaide, appointing a period of not less than one week or greater than fourteen days, within which it shall be competent for all persons possessing the requisite qualification and desirous of voting at the election of common councilmen, to claim to be enrolled as qualified electors in the manner aftermentioned, and also appointing a day at the distance of not less than three weeks thereafter for publicly revising the said roll and ascertaining the number of qualified electors.

7. That before the expiration of such period, every qualified claimant shall deliver a notice to the returning officer, setting forth in terms as nearly as may be of the schedule (A.) hereto annexed, his residence and qualification, and claiming to be enrolled as a qualified voter: provided always, that after the first registry under this Act, it shall not be necessary for any person already enrolled to claim anew to be enrolled at any subsequent registry, but the qualification of such person shall continue on the roll of voters, unless his name shall have been objected to and expunged from the roll as aftermentioned.

8. That immediately on the expiration of the period appointed for receiving claims, the returning officer shall prepare a complete list, specifying the name, residences, and qualifications of all persons so enrolled or claiming to be enrolled, which list he shall authenticate, and shall cause to be printed and published for at least one fortnight prior to the day of public revision; and every person whose name shall have been inserted in the said list may, previous to such day of public revision, object to any other person as not being entitled to be enrolled or to continue on the roll as a qualified voter, by giving at least a week's previous notice thereof in writing to the said returning officer, in form as nearly as may be of the schedule (B.) hereto annexed, who shall thereupon forthwith give due notice thereof to the objected party, if resident in the said city; and on the day appointed by advertisement, the returning officer, assisted by the said assessors, shall publicly revise the lists and hear and dispose of all objections; and in cases where the qualification of the person objected to shall not be proved to his satisfaction, the returning officer shall expunge the names from the roll, and shall prepare and certify, and cause to be printed and published an authenticated copy of the roll of citizens, and all persons whose names are registered therein, and no others shall be deemed to be the qualified voters at the said election.

9. That

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9. That on the registration being so completed the returning officer shall cause to be inserted once in each of the said *Gazette* and newspapers a public advertisement declaring the total number of voters admitted on the roll, with the proportion required to constitute each electoral section or quorum empowered to return a member of the common council in manner after provided, which shall be as nearly as the numbers will admit, one-nineteenth part of the whole qualified voters, and the returning officer shall by the said advertisement appoint polling places and a day for receiving the votes of all electors, who may exercise their option of forming such electoral sections or quorums in manner aftermentioned, and also polling places and day, at a distance of not more than three days thereafter, for completing the election, in case the entire number of common councilmen shall not be returned by quorums in manner aftermentioned.

10. That it shall be competent to the electors by voluntary classification to form themselves into as many electoral sections or quorums as there are members to be elected, and each of these quorums may, provided they can agree upon a unanimous vote, return one member to the council, and on the said first appointed day, between the hours of ten o'clock of the forenoon and four o'clock of the afternoon, and at the polling place or places appointed as aforesaid, when and as often as any number of qualified electors, amounting to the proportion required to constitute such quorum aforesaid, shall assemble and appear personally at the poll and declare their unanimous vote in favour of any single candidate, the returning officer or such assessor as he may appoint to be for him at such polling place, shall enter in a poll-book in the form as nearly as may be of the schedule (C.) hereto annexed, the names of the electors in every such quorum respectively, specifying under proper columns the names of the candidates so voted for, and at four o'clock of the afternoon the assessors acting at separate polling places shall certify and seal their respective poll-books, and proceed to deliver them to the said returning officer, and the said returning officer shall forthwith scrutinize the poll-books, and declare duly returned to the common council all members so elected by the unanimous vote of such quorums respectively: provided always, that no elector voting with any such quorum in the return of a member as aforesaid shall be competent to vote at the subsequent part of the election as hereinafter provided, or for more than one candidate.

11. That in case the council shall not be filled up in whole or in part by electoral quorums as aforesaid, the whole or such number as may not be so elected shall be returned by ordinary election in manner aftermentioned, that is to say, between the hours of ten of the forenoon on the day and at the polling place or places appointed as aforesaid for the completion of the election, it shall be competent for every qualified elector who has not previously voted with any such sections or quorums in the return of a candidate, to exercise his vote or votes in favour of the whole remaining numbers to the number required to complete the common council, and the returning officer or such assessor as he may appoint to be for him at such polling place, shall enter such votes in separate poll-books in the form as nearly as may be of the schedule (C.) hereto annexed, specifying under proper columns the candidates in whose favour such votes are respectively exercised, and at the hour appointed for closing the election the assessors, if acting at separate polling places, shall certify and seal their respective poll-books and proceed to deliver them to the returning officer, and the said returning officer shall forthwith scrutinize the poll-books, and declare duly returned as common councilmen those candidates to the number required to fill up the council who possess the majority of votes, and in the case of several candidates possessing an equal number of votes, he shall cast lots and declare duly returned such candidate or candidates in whose favour the lot is determined.

12. That no inquiry shall be permitted at any election as to the right of any person to vote, except that the mayor or other presiding officer shall, if required by any two qualified electors, put to any voter at the time of his tendering his vote, the questions whether he is the person named on the roll of qualified voters, and whether he has already voted at the same election, and no person required to answer the said questions shall be permitted or qualified to vote until he shall have answered the same; and if any person shall wilfully make a false answer to the said questions, he shall be deemed guilty of a misdemeanor, and may be indicted and punished accordingly.

13. That no person who is not enrolled upon the list of citizens, and who is not the proprietor or occupier of a house within the said city, of the yearly rental of at least 50 *l.*, or possessed of personal property to the value of at least 500 *l.* shall be capable of being elected, or of acting as a common councilman, and no person who has at any time been convicted of felony or a misdemeanor, followed by imprisonment of three months, with hard labour, under a sentence of any supreme or superior court within Her Majesty's dominions, shall be capable of being so elected.

14. That no person who is directly or indirectly by himself, or any partner, concerned or interested in or under any contract with, by, or on behalf of the said corporation, or to which such corporation is a party, other than contracts of lease or contracts with a company, the shares of which are transferable by sale, of which such person may be a shareholder, nor any person who holds directly or indirectly by himself, or any partner, any place of profit, office or employment under or in the appointment of the said corporation, shall be capable of being elected or of acting as a common councilman while he shall hold such employment, or during the subsistence of such contract, or while any claim arising out of the same shall be unsettled.

15. That no elected candidate shall be declared duly returned by the returning officer as aforesaid, until he shall have made and subscribed a declaration in the form as nearly as

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as may be of the schedule (D.) hereto annexed, purporting that he is qualified and not disqualified as a common councilman under the provisions of this Act, and if any elected candidate shall wilfully make a false declaration to the above purport he shall be deemed guilty of perjury, and shall forfeit and pay a penalty of not less than 50 *l.* nor more than 100 *l.*, recoverable in manner after provided for penalties under this Act.

16. That the entire election being completed, the returning officer shall summon the whole number to assemble on the following day, and the council or a majority of their number being so assembled, shall proceed to elect a chairman, who shall have not only a deliberative, but also a casting vote in cases of equality, and the meeting shall thereupon proceed by the same mode of election as in the case of election of common councilmen (as nearly as may be) to elect from the common councilmen four aldermen, and the said aldermen being so elected, the meeting shall proceed to elect a mayor, being one of the said aldermen, by ordinary ballot, and the said returning officer shall thereupon administer to each of the said parties the usual and requisite oaths prescribed by law.

17. That annually on the said oaths being administered in future years, the mayor, aldermen and common council of the preceding year shall, with the exception aftermentioned, go out of office, and their whole powers and duties shall be transferred to their successors: provided nevertheless, that any of the persons so going out of office shall be eligible to be re-elected; provided also, that one-half of the aldermen, including the mayor as an alderman, shall, without re-election, continue in office for two years, which continuing aldermen shall previous to the second general election under this Act, be determined by ballot, and at all subsequent elections shall be the aldermen junior in office.

18. That it shall and may be lawful for the said common council to order payment to the mayor of such salary or allowance as they may deem reasonable and proper, provided that the said salary or allowance shall not exceed the sum of 300 *l.* per annum, without the approval of the governor in council.

19. That the mayor for the time being shall, during the period of his mayoralty and for one year thereafter, and the aldermen for the time being shall during their term of office have, exercise and enjoy all the rights, duties and privileges of justices of the peace of and for the said city, and all acts and deeds done or to be done by them in that capacity, after duly qualifying by taking the oaths prescribed by law, shall be as good, valid and effectual to all intents and purposes as if their names had been specially inserted in Her Majesty's commission of the peace: provided nevertheless, that no such mayor or aldermen shall, in virtue of the powers hereby conferred, be capable or entitled to act as a justice of the peace at any court of gaol delivery, or general quarter sessions, or at any meeting of the justices of the province.

20. That every qualified person who shall be elected to any office under this Act, shall accept such office by taking a declaration in the form, as nearly as may be of the schedule (E.) to this Act annexed, within five days after notice of his election, and every person accepting and filling any such office shall execute the duties thereby committed to him, or in default thereof pay to the treasurer of the corporation such fine, not exceeding 50 *l.*, as the common council may by bye-law to be made in manner after mentioned declare, which fine shall be leviable in the manner after provided, for penalties under this Act; and any office not accepted in manner before provided shall be deemed to be vacant, and shall be filled up by a new election in manner herein mentioned: provided, always, that no person incapacitated by natural infirmity shall be liable to such fine as aforesaid.

21. That if any person holding the office of mayor, alderman or common councilman, shall become bankrupt or insolvent, or shall be absent from the province for a continuous period of six months, the common council shall immediately declare such person to be disqualified and to have ceased to hold his said office, and shall proceed to supply the vacancy by a new election: provided, that so soon as the cause of disqualification shall be removed such person shall become re-eligible.

22. That the common council shall annually, one month after the said election, appoint a fit person, not being a member thereof, to be town clerk, and another fit person to be treasurer; and the said common council are hereby authorized and empowered at any time to appoint such other officers as may be necessary for carrying into execution the provisions of this Act, and from time to time to discontinue the appointment of such officers, and to take proper security for the due execution of their respective offices, and to pay or order to be paid to all officers executing this Act reasonable salaries or allowances, and in case of a vacancy by death, resignation, removal or otherwise, to appoint other fit persons to supply such vacancies.

23. That if any extraordinary vacancies shall be occasioned in the common council during the currency of any year, the qualified electors shall, on public notice by the returning officer of not less than five nor more than ten days, elect persons properly qualified to supply such vacancies in the same manner, as nearly as may be, as is above provided in the case of the ordinary poll election: provided always, that no such new election shall be made unless the number of common councilmen remaining after such vacancies shall not exceed two-thirds of the whole council, and similar vacancies occurring in the office of mayor or aldermen shall be supplied by new election, to be conducted in the same manner, as nearly as may be, as is above provided in the case of ordinary poll elections.

24. That all acts and questions whatsoever coming before the council may be done and decided by the majority of the members present and voting at any properly constituted meeting, the whole number present at such meeting not being less than one-third part of the number of the whole council, and at all such meetings the mayor, if present, shall preside; and

and the mayor, or in the absence of the mayor, such alderman, or in the absence of all the aldermen, such common councilman as the members of the council then assembled shall choose to be the chairman of the meeting, shall have both a deliberative and a casting vote in all cases of equality of votes, and minutes of the proceedings of such meetings shall be duly recorded and authenticated by the mayor, alderman or common councilman presiding: provided always, that previous to any extraordinary meeting of the council being held, a notice of the time and place of such intended meeting shall be given three clear days at least before such meeting, to the members, specifying the business proposed to be transacted, and no business shall be transacted at such meetings other than is specified in the notice: provided always, that such formalities shall not be requisite for meetings occurring by appointment at stated intervals for the transaction of regular business.

25. That it shall be lawful for the council to appoint out of their own body, from time to time, such and so many committees, either of a general or special nature, and consisting of such number of persons as they may think fit; provided that the acts of every such committee shall be subject to the approval of the common council, unless such committee shall have been authorized in cases of emergency to act without such approval, and in every such case the act of such committee shall be specially reported to the next meeting of the common council.

26. That the said common council shall have power, subject to the provisions hereinafter mentioned, to carry into execution all necessary public improvements within the said city, as regards streets, footpaths, walks, highways, causeways, and bridges and edifices of every description; planting or felling of trees and shrubs, digging of wells, conduits and sewers, and other like works; to take order for the preservation and advantageous and beneficial use thereof; for the prevention of fires, the suppression of infectious diseases, the regulation of weights and measures, the establishment of markets, the regulation of the quality of bread, butchers' meat, and other provisions, and the seizure and forfeiture of unwholesome provisions exposed for sale; the suppression and restraint of gambling, of disorderly houses, play-houses, and houses of ill-fame and repute; the regulation of carters, porters and drivers, and the removal and abatement of all kinds of public nuisances; for the proper paving, lighting, cleansing, draining, supplying with water, regulating and improving the said city, and for the health, comfort and well-being of the inhabitants.

27. That for raising the necessary funds to carry the purposes of this Act into execution, it shall be lawful for the said council, and they are hereby authorized and empowered, subject to the provisions hereinafter mentioned, from time to time, when and so often as they shall think it necessary, but not exceeding once every quarter of a year, to make and levy in manner aftermentioned, a just and equitable rate or assessment in the nature of a borough rate upon all proprietors and occupiers of houses, shops, warehouses, counting-houses, lands, tenements and hereditaments within the said city: provided always, and be it enacted, that no such rate shall be levied on any public buildings, lands or other property belonging to or possessed by or for the use of Her Majesty, her heirs and successors, or the Colonization Commissioners of this province, which are hereby declared to be exempt from and in nowise subject to the imposition of any rates under this Act; provided also, that houses in the course of erection, or which for the entire quarter in respect of which any rate may be imposed in manner aftermentioned, shall remain unoccupied by any proprietor or by any tenant as representative of such proprietor, shall be exempt from the rates applicable to every such quarter during which such houses may remain so unoccupied.

28. That for this purpose the said common council shall from time to time, at meetings specially called, estimate as correctly as may be the total amount of money required in order to carry into effect the provisions of this Act, to be raised in the manner herein directed, and not to exceed at any one time nine pence per pound upon the fair annual value of all rateable property within the said city, to be computed according to a valuation made in manner aftermentioned: provided always, and be it enacted, that in order to prevent injustice by the partial operation of this Act, as affecting the inhabitants of remotely situated districts or parts of the said city, it shall not be necessary in all cases to levy an uniform rate throughout the limits of the said city, but the said common council shall have power in the levying of rates in particular districts or parts of the said city, to have regard to the situation of the same with respect to the extent and manner in which they may be likely from time to time to derive benefit from the provisions of this Act for lighting, draining or otherwise, and so to apportion, modify or alter from time to time the amount of the rate leviable from such districts or parts of the said city, as a due regard to the rights of the parties interested therein may to the said common council appear to require.

29. That the said common council shall cause public notice to be given of the amount of money so proposed to be raised for the purposes of this Act, the causes rendering the rate necessary, and the objects to which the same is intended to be applied, at least once in the *South Australian Gazette*, and shall after the expiration of seven days authorize certain fit and proper persons to be by them appointed as collectors of rates, to ascertain the fair annual value of the said rateable property, and to levy the amount required.

30. That the said collectors of rates shall, on valuing and assessing the said rateable property, deliver to the rate-payers, if resident within the said city, or to their known agents or representatives, if absent therefrom, written notices, specifying the valuation, rate of assessment, and amount leviable from each in respect of the property rated, and demanding payment within a reasonable time; and in case of non-payment thereof the mayor or any two justices of the peace for the province or for the said city shall and may issue a warrant to

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to any constable or other person named therein, to levy the same by distress and sale of the goods and chattels of the persons so rated and assessed and failing to pay, and in default of sufficient distress, by imprisonment, and in the same manner as after provided in the case of penalties under this Act: provided always, that no sale of such goods and chattels shall take place until after the expiration of three days after the seizure thereof, and that no such imprisonment shall exceed the term of one calendar month; provided also, that all parties aggrieved by the proceedings of the said collectors or justices shall have right to appeal to the common council, who shall have power to hear and determine finally on the matter.

31. That such rates shall be wholly payable in the first place by and recoverable from the occupant (if there be such) of the said property rated, but such occupant by whom such rates shall be paid, shall be entitled to deduct one-half of such rates from the rent payable to the proprietor, or his agent, or other person by whom such rateable premises shall have been let, who shall in the second place be liable wholly for such rates, and from whom the same may be wholly levied in case of the removal or in default of any actual possessor of the said premises, and such rates shall be instantly due and payable at and from the time stated in the collector's notice of demand.

32. That the city treasurer shall, at least once in every quarter of a year, cause to be published in the first *Gazette* after the first day of January, and in the first *Gazette* after the first day of July, a list of the persons who shall be in arrear of rates and of the amounts respectively due, and from and after the date of such publication, such rates with ordinary bank interest thereon, and the expense of proceedings taken to recover the same, shall constitute a lien, and have a priority and be preferable after Crown debts to every subsequent security or claim of any description, against the estate real and personal of the debtors respectively.

33. That in case any proprietor of any lands and hereditaments subject to be rated under this Act, who shall not be possessed of any distrainable goods, whether resident in the province or not, shall permit the rates due in respect of such property to remain in arrear unpaid for a period of three years, it shall be lawful for the said collector, or such officer as may be authorized by the said corporation in that behalf, to make application by petition to the supreme court of the province, and the said court shall, after such notice by publication or otherwise, as may be deemed necessary and proper, summarily adjudge and order such lands, tenements and hereditaments, or such part thereof as may be sufficient to pay the whole arrears of rates due at or prior to the said application, with ordinary bank interest thereon, the costs of such application and expenses of sale, to be sold by public auction, and the proceeds to be paid into court, and the said court is also hereby authorized and empowered to order payments to the said corporation or such officer as aforesaid, of the said amount of rates, interest, costs and expenses incurred, in preference to any mortgage or other right or security over the said premises, and to issue and grant to the purchasers a deed or deeds of conveyance in terms of law, free of any other mortgage or other burthen or incumbrance whatsoever, and such conveyance to the said premises sold shall be as good, valid and effectual as if the same had been granted by the lawful proprietor thereof, any law or practice to the contrary notwithstanding; and any balance or sum remaining after payment of the said rates, costs and expenses, shall be paid by the clerk of the said court into a public bank, at the sight and approval of the chief justice, subject to the future orders of the court, for behoof of the party or parties having interest therein.

34. That for the more effectually carrying the purposes of this Act into execution, the said common council are hereby authorized and empowered, subject to the provisions hereinafter mentioned, to make and pass such bye-laws, orders and regulations as may be deemed necessary, which shall be equally valid and effectual as if expressly inserted herein, and to impose fines and penalties for offences in contravention thereof (not exceeding the sum of five pounds in each case), such fines and penalties to be recovered by summary proceeding before the resident magistrate, mayor, or any two of Her Majesty's justices of the peace for the province or for the said city, in manner aftermentioned.

35. Provided always, and be it enacted, that all such bye-laws and orders shall, on being made and passed by the said common council in virtue of the powers above conferred, be immediately communicated for the approval or disallowance of his Excellency the Governor in Council, and no such bye-laws, orders or resolutions shall be carried into execution, or be of any force or effect until the expiration of forty days after being so communicated, and if at any time within the said period the governor in council shall disallow any bye-law or part thereof, such bye-law or part disallowed shall not come into operation: provided also, that it shall be lawful for the governor if he shall think fit, at any time within the said period to enlarge the time within which such bye-law if disallowed shall not come into force, and no such bye-law shall in that case come into force until after the expiration of such enlarged time; provided also, that the maximum amount of the ordinary expenditure of the said corporation in exercise of the powers hereinafter conferred on them, is hereby estimated and fixed at the sum of 500*l.* for each and every quarter of a year, and it shall not be competent for the said corporation to exceed the said amount, or incur expenditure of an unusual description, or contract loans for the erection of public buildings, execution of extensive improvements or the like, without the approval of the governor in council duly notified, and when and so often as it may be necessary for the said corporation to incur extraordinary expenditure, it shall be incumbent on them to transmit for such approval a copy of the minutes or resolutions, stating the specific object and purpose and the grounds of such extraordinary expenditure.

36. That

36. That no work, improvement or undertaking, the cost of which shall exceed 400 *l.*, shall be exempted unless the same shall have been agreed to and sanctioned by a minute or resolution passed at a meeting specially called for the consideration thereof in the manner hereinbefore directed, and the execution of every such work, improvement or undertaking, where the estimated expense thereof shall exceed 400 *l.*, shall be by contract, and after advertisement for tenders in the *South Australian Gazette*, and the contract shall be approved by like minute or resolution.

37. That in order the more effectully to enable the said corporation to make, repair and maintain in good condition all public streets, roads and thoroughfares within the said municipality, they are hereby authorized and empowered, subject to the approval of the governor in council in manner hereinbefore provided, to erect turnpikes and impose and levy tolls on the principal thoroughfares leading to and from the city.

38. That in order to provide for the expenses of the first election, and such proceedings as may be necessary to bring this Act into operation, it shall be lawful for his Excellency the Governor, by warrant under his hand from time to time to authorize and direct payment of such sums as he may see fit and proper to be made by the colonial treasurer out of the public funds of the province, which sums shall, so soon as the corporation has by rating or otherwise acquired sufficient funds, be immediately repaid by the city treasurer out of the first and readiest means under his control.

39. And whereas a large proportion of the expenses incurred in consequence of crimes committed within the said province, is properly applicable to the city, be it enacted, that when and so soon as the said corporation shall have raised sufficient funds to meet the expenses of ordinary regulations, and of carrying into effect the purposes of this Act abovementioned, such funds shall contribute to the cost of prosecution, to the maintenance of the gaols, and to the general expenses attending the administration of justice, in so far as the same arise from and are incurred in consequence of felonies and misdemeanors committed or supposed to have been committed within the limits of the said city; and the city treasurer shall accordingly answer and obey all orders of court and all lawful demands for payment of such expenses duly ascertained.

40. That annually, on the 15th day of August, the city treasurer shall lay before the common council a distinct account or statement of the whole property, revenue and debts due to and due by the corporation of every description, and from whatever source, as well as of the actual receipts and disbursements, income and expenditure for the year preceding, and such accounts and statements shall be examined by two auditors, of whom one shall be nominated by the bench of magistrates and the other by the common council; and on or before the 15th day of September an abstract of the said accounts shall, together with the auditor's report thereon, be published in the *South Australian Gazette*, for public information.

41. And whereas on the 15th day of October last an Act was passed by his Excellency the Governor in Council, intituled, "An Act for raising and organising a Police Force for the Province of South Australia," in which certain provisions were made and powers granted for the maintenance of the public peace and good order, and which Act is now in beneficial operation; Be it therefore enacted, that nothing herein contained shall be construed to repeal, alter or innovate, to any extent whatever, the provisions of the said Act, or to confer on the said mayor, aldermen and common council any of the powers therein appropriated, or which by usage or general understanding are commonly assigned to the police department; but the functionaries appointed under the authority of the said Act, or by any similar Act to be hereafter passed, shall continue to exercise the said powers and duties as exclusively and extensively as heretofore, both within and beyond the limits of the said city, anything expressed in this Act to the contrary notwithstanding.

42. That if any person shall act as mayor, alderman, common councilman, or other officer under this Act, without having made the declarations hereinbefore required in that behalf, or without being duly qualified at the time of making such declarations, or after he shall cease to be qualified according to the provisions of this Act, or after he shall have become disqualified to hold any such office, he shall for every such offence forfeit the sum of 50 *l.*, to be recovered with all costs of suit by any qualified elector who will sue for the same within three calendar months after the commission of such offence; and every person so sued by reason of not being qualified in respect of estate, shall prove that he was at the time of so acting qualified as aforesaid, or otherwise shall pay the said penalty without any further evidence being given on the part of the plaintiff than that such person has acted in the execution of such office: provided always, that it shall be lawful for any defendant, by judge's order to be obtained within fourteen days after he shall have been sued with process in any such action, to require the plaintiff to give security for costs, and in such case all further proceedings in the cause shall be stayed, until the plaintiff shall give security to the satisfaction of the proper officer of court for costs, in case a verdict shall pass for the defendant, or the plaintiff become nonsuit or discontinue such action, or if upon demurrer or otherwise judgment shall be given against the plaintiff, and the defendant shall in either of such cases recover his full costs as between attorney and client; provided also, that no such action shall be brought unless the plaintiff shall, within fourteen days after the commission of the offence, have served a notice in writing personally upon the party committing such offence of his intention to bring such action, and in case the plaintiff shall obtain a verdict the money recovered shall, after payment of costs and expenses, be paid to the city treasurer and applied in aid of the corporation fund: provided always, that all acts and proceedings of any person in possession of the office of, and acting

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acting as mayor, alderman, common councilman or other office shall, notwithstanding such disqualification or want of qualification, be as valid and effectual as if such person had been duly qualified.

43. That if any person who shall have or claim to have any right to vote in any election under this Act shall, after the passing of this Act, ask or take any money or other reward by way of gift, loan or other device, or agree or contract for any money, gift, office, employment or other reward whatsoever, to give or forbear to give his vote in any such election, or if any person by himself or any person employed by him, shall by any gift or reward, or by any promise, agreement or security for any gift or reward, corrupt or procure, or offer to corrupt or procure any person to give or forbear to give his vote in any such election, such person so offending in any of the cases aforesaid shall for every such offence forfeit the sum of 50 *l.* sterling, to be recovered with full costs of suit by any qualified elector who shall sue for the same, by action of debt, bill, plaint or information in the supreme court, to be paid and applied as aforesaid; and any person so offending in any of the cases aforesaid being lawfully convicted thereof, shall for ever be disabled to vote in any election under this Act, and to hold, exercise or enjoy any office or franchise to which he then shall or at any time afterwards may be entitled as a citizen of the said corporation, as if such person were actually dead.

44. That immediately on any conviction or judgment being obtained, declaring or having the effect of declaring any person who shall have been elected to any such office under this Act, to be not duly qualified, or to have ceased to be qualified, or to be or have become disqualified to hold any such office, such office shall from and after the date of such conviction or judgment, be *ipso facto* determined and void, and a new election shall be proceeded with to fill up the vacancy in manner provided by this Act.

45. That all fines, penalties and forfeitures imposed by this Act, or by any bye-law made in pursuance thereof, for the reason of which provision is not otherwise made by this Act, shall and may be removed at the suit of any qualified elector on the roll of citizens, by action, bill, plaint or information in the supreme court, if the same shall exceed in amount the sum of 50 *l.*, and if not exceeding the said amount, in a summary manner before any resident magistrate, justice or justices of the peace for the province or the said city, as nearly as may be in form and manner provided by Act of Council for summary proceedings before justices, and all such fines and penalties shall be adjudged to be paid to the city treasurer for the time being to the credit and on account of the corporation fund: provided always, and be it further enacted, that all such fines, penalties and forfeitures may be remitted in whole or in part by the governor, that no person although liable to the rate contributing to the corporation fund shall be deemed an incompetent witness in proof of any offence against this Act by reason of any penalty or forfeiture for such offence being applicable to the use of the corporation fund, and no justice of the peace shall be disabled from acting in the execution of this Act by reason of his being liable to the rate contributing to the corporation fund.

46. That no such summary conviction, order, warrant or other matter made or purporting to be made by virtue of this Act, shall be quashed for want of form, or be removed by certiorari or otherwise into the supreme court, and no warrant or commitment shall be held void by reason of any defect therein, provided that it be therein alleged that it is founded on a conviction, and there be a good and valid conviction to sustain the same; and where any distress shall be made for levying any money by virtue of this Act, the distress itself shall not be deemed unlawful, nor the party making the same be deemed a trespasser, on account of any defect or want of form in the summons, conviction, warrant of distress, or other proceedings relating thereto, nor shall the party distraining be deemed a trespasser *ab initio* on account of any irregularity afterwards committed by him, but the person aggrieved by such irregularity may recover full satisfaction for the special damage, if any, in an action upon the case.

47. And for the protection of persons acting in the execution of this Act, be it enacted, that all actions and prosecutions against any person for anything done in pursuance of this Act, shall be commenced within six calendar months after the fact committed, and not otherwise: and notice in writing of such action, and of the cause thereof, shall be given to the defendant one calendar month at least before the commencement of the action; and in any such action the defendant may plead the general issue, and give this Act and the special matter in evidence at any trial to be had thereupon; and no plaintiff shall recover in any such action if tender of sufficient amends shall have been made before such action brought, or if a sufficient sum of money shall have been paid into court after such action brought by or on behalf of the defendant; and if a verdict shall pass for the defendant, or the plaintiff become nonsuit, or discontinue any such action after issue joined, or if upon demurrer or otherwise judgment shall be given against the plaintiff, the defendant shall recover his full costs as between attorney and client, and have the like remedy for the same as any defendant hath by law in other cases.

48. That throughout this Act, unless there be something in the subject or context repugnant to such construction, every word in the singular number shall be construed to extend to the plural, and every word in the masculine gender to the feminine; and no misnomer or inaccurate description of any person, body corporate, or place named in this Act, or in any schedule hereto annexed, or in any roll, list, notice or poll-book hereby required, shall hinder the full operation of this Act, provided that the description be such as to be commonly understood.

49. That whenever a day on which anything is by this Act appointed to be done falls on a Sunday,

a Sunday, the Monday immediately following shall be held and deemed to be the day appointed, and all acts and deeds then done shall be as valid and effectual as if done on the day specified in this Act. Municipal Corporation Act for the City of Adelaide.

50. Provided always, and be it enacted, that nothing in this Act contained shall be deemed to affect or apply to any right, title or interest of Her Majesty, her heirs and successors.

SCHEDULES referred to in the foregoing ACT.

(A.)

NOTICE OF CLAIM.

To the Returning Officer of the City of Adelaide.

I HEREBY give you notice that I claim to have my name inserted in the List of Citizens of the Corporation of Adelaide: that I am proprietor [*or occupier, as the case may be*] of [*here state the premises founding the qualification*], and that I am otherwise qualified, and not disqualified, in terms of the Act constituting the said Corporation.

Dated

[*Signed with the name, occupation, and residence of the claimant.*]

(B.)

NOTICE OF OBJECTION.

To the Returning Officer of the City of Adelaide.

I HEREBY give you notice that I object to the name of [*describe the person objected to in the List*] being retained on the List of Citizens of the Corporation of Adelaide.

Dated

[*Signed with the name, occupation, and residence, and stating the qualification for which the objector has claimed to be enrolled.*]

(C.)

Is the form of the Poll Register of Voters at the Election of Common Councilmen.

(D.)

DECLARATION OF QUALIFICATION BY COMMON COUNCILMEN.

I HEREBY declare that I possess the qualifications required, and am in no manner disqualified to be elected a Common Councilman, in terms of the Act constituting the Corporation of the City of Adelaide: and this declaration I make believing the same to be true, and subject to the pains and penalties in the said Act mentioned.

[*Signed with the name, occupation, and residence of candidates.*]

Made and subscribed before me this [*date*]

[*Signed by the Returning Officer.*]

(E.)

DECLARATION OF ACCEPTANCE OF OFFICE.

I HEREBY declare that I accept the office of to which I have been elected, and that I will faithfully execute the duties thereof in terms of the Act constituting the Corporation of the City of Adelaide.

Made and subscribed the [*date*] before me

[*Signed by the Presiding Officer.*]

Paper, No. 13.

PAPERS delivered in by *T. F. Elliot*, Esq. 11 March 1841.

— (No. 1.) —

Public Revenue.

PUBLIC REVENUE of *South Australia* for 1839 and the First Quarter of 1840.

Authority for the Statement,	PERIOD.	AMOUNT.	RATE PER ANNUM.
		£. s. d.	£. s. d.
South Australian Register	1st quarter of 1839 -	2,862 – 1	11,448 – 4; say 1*l.*
Col. Gawler's Despatch, No. 27, 23 August 1839.	2d ditto - -	4,375 6 7	17,501 6 4; say *l.*
Ditto - - - - -	3d ditto - -	5,477 8 2*	21,909 12 8; say *l.*
Col. Gawler's Despatch, No. 28, 4 April 1840.	4th ditto - -	5,694 19 4	22,779 17 4; say *l.*
South Australian Gazette, 4 June 1840, inserted by authority.	1st ditto 1840 -	7,371 5 4	29,485 1 4; say *l.*

* The actual return sent home for this quarter was only from the 1st July to the 19th August or the first half of the quarter, amounting to 2,738*l.* 14*s.* 1*d.* Twice that amount is assumed above for the whole quarter.

9, Park-street, Westminster, 9 March 1841.

S. Walcott, Secretary.

— (No. 2.) —

SHIPPING, 1839.

Shipping.

Computed from Customs Return, enclosed in Colonel *Gawler*'s Despatch No. 50, of 26th November 1839, and No. 26, of 20th March 1840.

PERIOD.	ARRIVED.		CLEARED OUT.	
	Number of Ships.	Amount of Tonnage.	Number of Ships.	Amount of Tonnage.
First half of 1839 - - - -	88	19,149	94	18,995
Second - ditto - - - -	80	17,408†	71	14,347†
Total for the Year - -	168	36,557	165	33,342

These quantities have been calculated from the average of the corresponding number of ships in the preceding half-year.

† The tonnage not inserted for this half-year.

9, Park-street, Westminster, 9 March 1841.

S. Walcott, Secretary.

— (No. 3.) —

POPULATION.

RETURN intended to show the Probable Population of *South Australia*, at the end of 1838, 1839, and 1840, as far as can be estimated from the known Immigration from other Places; the Results confirmed by Extracts from the Resident Commissioners' Despatches.

Population.

Arrivals in the Colony.

Emigration from the United Kingdom in 1836 (*a*)		941
Ditto - ditto - ditto - - 1837 (*a*)		1,279
Ditto - ditto - ditto in the first eight months of 1838 (*c*)		1,400
Total computed Arrivals from England to end of 1838		3,620
Arrivals prior to end of 1838:		
From other Colonies (*b*)		598
From Germany (*b*)		600
Total Arrivals from all Places to end of 1838		4,818
Emigration of last four months of 1838	1,754 (*c*)	
Ditto - first eight months of 1839	3,443 (*c*)	
		5,197
Total Arrivals up to end of 1839		10,015
Emigration of last four months of 1839	1,877 (*d*)	
Ditto - first eight months of 1840	3,148 (*e*)	
N.B. No emigration afterwards.		5,025
Total Arrivals up to end of 1840		15,030

Births and deaths are kept out of account, not being returned. According to the extracts from the Resident Commissioners' Despatches, the numbers of arrivals up to the end of 1839 would appear nearly to correspond with the estimated number of inhabitants, without any addition for increase by births.

(*a*) Second Report, App. p. 11.
(*b*) Third Report, p. 1.
(*c*) Third Report, App. p. 21.
(*d*) Fourth Report, App. p. 29.
(*e*) Report now prepared in the Commissioners' Office.

EXTRACTS from Colonel *Gawler's* Despatches.

"I AM assured that the population of Adelaide and its neighbourhood is between four and five thousand."

Colonel Gawler No. 7, Oct. 26, 1838.

"Before an answer can be received by me to this letter,* South Australia, in all reasonable probability, will contain upwards of 10,000 souls."

No. 15, April 8, 1839.

"The population on my arrival was passing from that of a settlement to a small colony of four or five thousand inhabitants, and it has since, with unprecedented rapidity, become a considerable colony of not far short of 10,000 souls. I think it now exceeds 10,000."

Mem. by Res. Com., enclosed in No. 50, Half-yearly Reports, 26 Nov. 1839.

* *N.B.* At usual rate of passage, the answer would have reached the colony about the end of 1839.

9, Park-street, Westminster,
9 March 1841.

S. Walcott, Secretary.

— (No. 4.) —

Yearly Sale of Lands.

STATEMENT of the Yearly SALES of PUBLIC LANDS in *South Australia* effected in *England* and in the Colony.

DATE.	IN ENGLAND.				IN THE COLONY.			
	N° of Acres.	Purchase Money.			N° of Acres.	Purchase Money.		
		£.	s.	d.		£.	s.	d.
1835 - - -	58,995	35,417	5	–*	—	—		
1836 - - -	1,680	1,378	–	–†	—	—		
1837 - - -	3,120	3,140	–	–‡	563	13,566	4	–§
1838 - - -	37,960	37,960	–	–	9,972			
1839 - - -	48,336	48,336	–	–	118,545	118,545	–	–
1840 - - -	7,040	7,040	–	–	2,446	2,446	–	–
1841 - - -	160	160	–	–	—	—		
	157,291	£. 133,431	5	–	131,526	£. 134,557	4	–

SUMMARY OF THE WHOLE.

	N° of Acres.	Purchase Money.		
		£.	s.	d.
In England - - -	157,291	133,431	5	–
In the Colony - - -	131,526	134,557	4	–
TOTAL - - - -	288,817	£. 267,988	9	–

* This includes a deposit of 20 *l.* 5 *s.* which was forfeited.
† This includes 370 *l.* deposits on purchases.
‡ This includes 20 *l.* deposits on purchase.
§ This amount is from the South Australian Gazette, 17th October 1839, inserted by authority. The number of acres is computed as follows: 563 acres are known to have produced at the public sales 3,594 *l.* 4 *s.* The remainder of the sum, 9,972 *l.*, was paid for purchases at the usual price of 1 *l.* per acre.

S. Walcott, Secretary.

— (No. 5.) —

Monthly Sale of Lands.

MONTHLY STATEMENT of SALES of PUBLIC LANDS in *South Australia* during 1839, and the first half of 1840, effected in the Colony.

1839.	N° of Acres.	Purchase Money.			——		
		£.	s.	d.	£.	s.	d.
January - - - - -	8,320	8,320	–	–			
February - - - -	29,527	29,527	–	–			
March - - - - -	80	80	–	–			
First Quarter - - - - - -					37,927	–	–
April - - - - -	4,000	4,000	–	–			
May - - - - -	13,200	13,200	–	–			
June - - - - -	34,000	34,000	–	–			
Second Quatrer - - - - -					51,200	–	–
July - - - - -	19,624	19,624	–	–			
August - - - - -	608	608	–	–			
September - - - -	3,672	3,672	–	–			
Third Quarter - - - - -					23,904	–	–
October - - - - -	692	692	–	–			
November - - - -	329	329	–	–			
December - - - -	4,493*	4,493	–	–			
Fourth Quarter - - - - -					5,514	–	–
				£.	118,545	–	–

* This includes 2,300 purchased by the Colonial Government for park lands and cemetery.

Monthly Sales of Lands.

1840.	No. of Acres.	Purchase Money. £. s. d.	—— £. s. d.
January	345	345 – –	
February	506	506 – –	
March	560	560 – –	
First Quarter			1,411 – –
April	426	426 – –	
May	320	320 – –	
June	289	289 – –	
Second Quarter			1,035 – –
		£.	2,446 – –

S. Walcott, Secretary.

— (No. 6.) —

MONTHLY STATEMENT of Sales of Public Lands in *South Australia*, during the Years 1839 and 1840, effected in *England*.

1839.	No. of Acres.	Purchase Money. £. s. d.	—— £. s. d.
January	6,800	6,800 – –	
February	2,560	2,560 –	
March	3,040	3,040 – –	
First Quarter			12,400 – –
April	6,960	6,960 – –	
May	3,040	3,040 – –	
June	2,720	2,720 – –	
Second Quarter			12,720 – –
July	2,240	2,240 – –	
August	1,680	1,680 – –	
September	400	400 – –	
Third Quarter			4,320 – –
October	18,336	18,336 – –	
November	560	560 – –	
December	—	—	
Last Quarter			18,896 – –
			48,336 – –
1840.			
January	80	80 – –	
February	480	480 – –	
March	160	160 – –	
First Quarter			720 – –
April	480	480 – –	
May	320	320 – –	
June	320	320 – –	
Second Quarter			1,120 – –
July	4,720	4,720 – –	
August	320	320 – –	
September	80	80 – –	
Third Quarter			5,120 – –
October	80	80 – –	
November	—	—	
December	—	—	
Last Quarter			80 – –
		£.	7,040 – –

9, Park-street, Westminster,
9 March 1841.

S. Walcott, Secretary.

Paper, No. 14.

PAPERS delivered in by Colonel *Torrens*, 18 March 1841.

—(No. 1.)—

MR. PENNINGTON'S MINUTE.

Gentlemen, Downing-street, 15 February 1840.

Mr. Pennington's Minute.

I AM directed by the Secretary of State to transmit to you, for any suggestions and observations which you may have to offer, the enclosed Memorandum, by Mr. James Pennington, on the subject of the Finances of South Australia.

I am, &c.
(signed) *James Stephen.*

Colonization Commissioners
for South Australia.

SOUTH AUSTRALIAN FINANCIAL ARRANGEMENTS.

THE following is an extract from a memorandum written in the month of March 1836, on the financial arrangement of the South Australian Land and Emigration Commission:—

The 6th section of the statute 4 & 5 Will. 4, c. 95, directs that the whole of the money arising from the sales of land and the rent of pasturage shall, without any deduction whatsoever, be employed in conveying poor emigrants to the colony.

According to the strict meaning of the words of this section of the Act, all outgoings and expenses necessary and incidental to the sale of land must be charged on some fund other than the Land Fund. The only other fund over which the Commissioners have any control is that raised and hereafter to be raised in pursuance of the 18th section of the Act. This section authorizes the commission to borrow money (not exceeding 200,000 *l.*), at a rate of interest not exceeding 10 per cent., for defraying all the costs, charges, and expenses of founding the intended colony, of providing for the government thereof, and of carrying the Act into execution; the money so borrowed to be a charge upon the ordinary revenue, or produce of all rates, duties, and taxes, levied and hereafter to be levied within the province.

Now, if all outgoings and expenses (other than the cost of conveying poor emigrants from Great Britain and Ireland to the province), including the expense of surveys, the cost and maintenance of the surveying vessels, the salaries and expenses of the surveying staff, and the purchase of stores and provisions for the use of the colony during the first twelve months after its establishment, or for whatever time or in whatever quantity may be deemed necessary, be charged upon this fund; if, moreover, the interest accruing from time to time on the money borrowed be likewise charged, it is much to be feared that in no long time the commissioners will be pressed by financial difficulties of a very perplexing nature, and perhaps wholly insuperable.

The 13th section of the Act authorizes the Commissioners to appoint a secretary and a treasurer.

If all the money under the control of the Commissioners, whether consisting of the Loan Fund or of the fund arising from the sale of land, or of both, be placed in the hands of a treasurer, that treasurer cannot, consistently with the provisions and directions of the Act, make even a temporary advance from the one fund to the other. Hence it may not unfrequently happen that the Commissioners may be under the necessity of incurring a heavy charge for interest, although the treasurer should have in his hands a large sum of money, which, although not immediately wanted, cannot be diverted for any period of time, however short, from the purpose to which it is alone legally applicable.

Much of the loss and inconvenience arising from this cause would be averted if the Commissioners were authorized to borrow money temporarily from one fund for the purpose of the other. The two funds in the hands of the treasurer being consolidated, the separation of the two would then consist of two separate and distinct statements, showing the income and outgoings of each.

Now, all this might as safely and in some respects more conveniently be done if, instead of placing the whole of the money in the hands of a treasurer, it were lodged in the names

of

Mr. Pennington's Minute.

of the Commissioners at the Bank of England, and cheques were drawn on the Bank, signed by two of the Commissioners, and countersigned by the secretary. Those cheques would be drawn on the consolidated fund, and separate and distinct accounts would be kept of the income and expediture of each fund, which accounts would be submitted to the Lords of the Treasury, and be audited in the same manner as other public accounts, conformably to the 13th section of the Act. If at any time the general balance at the Bank should be less than the proper balance of the Land Fund, and if at the same time such a number of emigrants should offer for conveyance as to require the immediate outlay of the latter fund, it would become the duty of the Commissioners to make good the deficiency of the Revenue Security Fund, by raising money by loan, on the security of the revenues of the province, in pursuance of the 18th section of the Act.

The foregoing observations were written in the month of March 1836.

In the year 1838 an Act was passed (1 & 2 Vict. c. 60), by which the inconvenience resulting from the former Act was in some degree lessened. By that Act the Commissioners are authorized to apply so much of the proceeds of the sales of public lands as may be necessary in discharge of the principal, and of the interest accruing, and to accrue, upon the colonial revenue securities: provided that the sums so paid shall constitute a colonial debt, owing by the province to the Commissioners.

They are likewise authorized to advance the money in their hands, belonging to either fund, for the purposes of the other, keeping distinct accounts of all such advances in the books under their direction: provided that in every case in which money is advanced by one fund for the purposes of the other, the advance shall constitute a debt from the one fund to the other, and shall be replaced or repaid without interest, as soon as conveniently may be, out of the moneys accruing to the fund debited with such advance: provided that the amount advanced from the Emigration Fund, in aid of the revenues of the colony, together with the debt which may have been due to the Emigration Fund at the commencement of any year, shall not, at the close of such year, exceed one-third of the amount which may have accrued to the said Emigration Fund in the course of such year.

Under the authority of this Act the Commissioners, at the close of the year 1838, transferred from the Revenue Fund to the debit of the Emigration Fund, the amount of the various sums which they had previously paid for interest on the loans contracted on account of the former fund, which sums amounted to 10,677 *l.* 3 *s.* 4 *d.* At the close of that year there had likewise been advanced from the Land Fund to the Revenue Fund the sum of 4,779 *l.* 8 *s.* 10 *d.* These two constituted a debt from the province to the Commissioners of 15,456 *l.* 12 *s.* 2 *d.*

At the close of the year 1839, the advance of the Land Fund to the Revenue Fund amounted to about 22,000 *l.*,* exclusive of the advance of interest on the outstanding revenue securities, which interest amounted to about 16,000 *l.** The whole debt owing by the Revenue Fund to the Land Fund amounted, at the close of 1839, to about 38,000 *l.**

Now, as by the third section of the last-mentioned Act, it is directed that the amount advanced from the Emigration Fund in aid of the revenues of the colony, together with the debt which may have been due to that fund at the commencement of any year, shall not, at the close of such year, exceed one-third of the amount which may have accrued to the said Emigration Fund in the course of such year, I apprehend that the Commissioners will be precluded from taking any further sum from the Land Fund, in aid of the Revenue Fund, in the present year, 1840, unless the sums accruing to the former in the course of the year should exceed three times the amount of the debt existing at the commencement of the year; that is, unless they should exceed 114,000 *l.*, and then only one-third of the excess can be taken.

Under these circumstances, the only resource open to the Commissioners for the payment of whatever bills may be drawn upon them from the colony, on account of the civil government, the salaries and expenses of the surveying party, and the expenses of the home establishment, is a public loan, to be raised on the security of the ordinary revenues of the province.

In the present state of the Land Fund, the limitation prescribed by the third section of the last-mentioned Act is inconvenient, inasmuch as, in consequence of the large amount of land sales during the last two years, the balance of money in the hands of the Commissioners on account of the Emigration Fund is, at present, much greater than will be required for the objects and purposes of that fund for some time to come.

The Commissioners then are in this anomalous situation, that with a large balance of money in their hands they have no funds which are lawfully applicable to the maintenance of the government of the colony, or to the expenses of the home establishment; and that in order to raise funds for these purposes, they must resort to the money market in London for a loan of money, at a high rate of interest.

Whether any arrangement can be made to mitigate or obviate this inconvenience, is a point which I shall advert to hereafter. In the meantime it may be proper to notice some circumstances and considerations connected with the Land Fund.

According

* Not having seen the accounts made up to the close of 1839, I cannot state these sums with exact precision.

The cost of provisions and stores sent out with the first settlers is not included in them.

Mr. Pennington's Minute.

According to the 6th section of the South Australian Colonization Act, the public lands of the province are to be sold at a fixed and uniform price. The purchase money may be paid either in London or in the colony. When paid in London the practice is to give a land order to the purchaser, in which order is mentioned the quantity of land which is to be conveyed to him. During the last year (1839) the purchases of land in the colony have exceeded in amount the purchases of land orders in London. During the last two or three months, the delivery of land orders in London has been very inconsiderable. One principal reason of the falling off is probably to be found in the state of the exchange between the colony and the mother country. Although the metallic money of both is precisely the same, yet, the expense and loss of time in transmitting hard money to and from places so distant from each other, allow the exchange to fluctuate within a considerable range, without being checked by the transmission of gold and silver. In 1837 and the early part of 1838, the exchange for commercial bills at Sydney upon London was, I understand, at about five per cent. discount; that is, 95 *l.* were given in New South Wales for a bill of 100 *l.* upon London.

Now, when the exchange is adverse to the colony, in other words, when bills on London are at a premium (say of five per cent.) in the colony, the purchaser of land who lodges his purchase-money in the hands of a banker or merchant in London, and obtains a letter of credit on the colony for the amount, gets an advantage of five per cent. over the purchaser of a land order from the Commissioners, besides having the use of the money in London during a period of eight or ten months.

In this state of the exchange, and for the reasons above stated, it may be expected that purchasers of land will generally prefer paying their purchase money in the colony to paying it in London.

On the other hand, when the exchange is in favour of the colony, it may be expected that the purchase money will generally be paid in London. In the former case the land fund loses the difference of the exchange*; in the latter, the Commissioners do not obtain the advantage which, in a commercial view of the matter, they are fairly entitled to.

It has been seen from the foregoing statements, that the funds applicable to the support of the civil government of the colony, the expense of surveys, and of the home establishment, must be derived from public loans, and from rates and taxes levied in the colony. By accounts lately received from the colony, it appears that the amount levied in the rates and taxes is gradually increasing, and is likely to be considerable. As, however, it may be expected that the expenses of the government and of the surveying staff will likewise greatly increase, it is probable that bills on the Commissioners of large amount will still be drawn for those purposes. Unfortunately, from some cause of which no satisfactory explanation has yet been given, no account of the application and expenditure of the large sums drawn for from the colony, since its first establishment, has yet been received, so that no satisfactory judgment can be formed of the probable future expenditure from the knowledge and experience of the past.

Assuming that bills of a large amount will continue to be drawn on the Commissioners, it will be desirable, in order to prevent as far as possible the inconvenience arising from fluctuations in the exchange, that such arrangements will be made as will render unnecessary the sale of bills in the colony, drawn by government on the one hand, and the purchase of bills for remittance on account of the land sales, on the other. This may be accomplished by transfers from the one account to the other in the colony, and by corresponding transfers in the books of the Commissioners in London.

If this had been done with respect to the large amount of bills drawn on the Commissioners which are now in the course of being presented for acceptance, the necessity of raising a loan in London, on account of the Revenue Fund, might have been for a while delayed. The bills having appeared, and there being at present no funds in the hands of the Commissioners lawfully applicable to the payment of them, an immediate loan on account of the Revenue Fund has become necessary.

Although the present state of the money market in London is not favourable to the negotiation of a foreign loan, yet as the amount required will be comparatively small, no difficulty will probably be experienced. The rate of interest will however be high.

It remains to notice the Guarantee Fund of 20,000 *l.*

By the 24th section of the Act 4 & 5 Will. 4, c. 95, it is enacted, that for the purpose of providing a guarantee that no part of the expense of governing the colony shall fall upon the mother country, 20,000 *l.* of the money borrowed on the revenue securities shall be invested in the names of trustees to be appointed by His Majesty.

The contingencies contemplated in the appointment of this security fund are, first, the possible inability of the colony to defray the expenses of civil government out of its own resources; and, second, the occasional demand of payments in this country which the Commissioners may not have in their hands the means of immediately satisfying.

As the 20,000 *l.* consists of money borrowed at a high rate of interest, on the security of the revenues and unsold lands of the colony, it should hardly seem that the possession of 20,000 *l.* gives to the mother country any greater security than would result from the possession

* The proceeds of the sales of land in the colony are deposited in the South Australian Bank at Adelaide on account of the Commissioners. The bank has lately transmitted to their agents in London 50,000 *l.*, with instructions to pay over the money to the commissioners, deducting five per cent. or 2,500 *l.* for the difference of exchange.

session of the revenues of the colony, and of the land remaining unsold disburthened from the encumbrance. If the first mentioned contingency should occur, Government will have the revenue and the land burthened with a debt of 20,000 *l.* and its accruing interest. If the fund be given up for the present purposes of the colony, Government will have the revenue and the land free from this encumbrance. Mr. Pennington's Minute.

If the second contingency should occur, the Guarantee Fund may be resorted to with the consent of the Secretary of State, to supply the immediate exigency, and time thus be afforded for ulterior arrangements.

This section of the Act authorizes the Secretary of State for the Colonies to dispose of any part of the Guarantee Fund, for any of the purposes to which the monies raised on the security of the revenues of the colony are applicable, and directs that the sum so disposed of shall be restored to the fund by the Commissioners.

The occasional and temporary application of part of this fund (with the consent of the Secretary of State) to the purposes to which the Revenue Fund is applicable, and judicious arrangements in the appropriation of the rates and taxes levied in the colony, and in the transmission to this country of the proceeds of the land sales, are amongst the means which must be sought for lessening the charge of interest on loans raised or hereafter to be raised in England.

As the financial affairs of the colony may very possibly become complicated and difficult, I have endeavoured to describe what appears to me to be their present state, and have made such observations as have occurred to me with regard to the arrangements which may hereafter become necessary.

(signed) *James Pennington.*

London, 11 February 1840.

The above memorandum was enclosed in a letter from the Colonial Office to the Commissioners, dated 15th Feb. 1840.

—(No. 2.)—

REVENUE BONDS PAYABLE FOR LAND.

My dear Sir, 6, Adelphi Terrace, 11 March 1840. Revenue Bonds payable for Lands.

ALLOW me to recall your attention to the South Australia Loan, which we discussed when you favoured us with a call at Adelphi Terrace.

In conformity with the provisions of the amended Act, the Commissioners during the course of the last year borrowed from the Emigration Fund a considerable sum in aid of the Revenue Fund, and it has now become necessary, in pursuance of the provisions of the same Act, that we should raise a loan on revenue securities, in order to discharge the debt due to the Emigration Fund. In effecting this loan we propose to proceed as follows:—

1st. To issue bonds upon the security of the revenues and unsold lands of the province.

2d. To make these revenue bonds payable in this country at the expiration of 10 or 20 years, as may be agreed upon.

3d. To instruct the resident commissioner to receive these bonds at par, with the interest which may be due upon them, in payment of duties and taxes levied in the colony.

4th. Also to instruct the resident commissioner to receive the bonds as cash, as in payments for public lands.

5th. To consider the amount of the revenue bonds which may be received on the purchase of land as a new debt due from the Revenue to the Emigration Fund, requiring to be discharged when occasions require by a further revenue loan.

Your opinion is requested as to the legality of the proposed course of proceeding. The point to which we would particularly direct your attention is, whether the resident commissioner could receive the bonds themselves as a direct payment for land, or whether it would be necessary that the bonds should in the first instance be paid off by the colonial treasurer, he taking a receipt for such payment from the person presenting it, and giving him at the same time an equivalent receipt for the amount as purchase money for land.

Requesting that you will favour us with your opinion upon the subject at your earliest convenience,

I am, &c.

(signed) *R. Torrens.*

Jas. Freshfield, Esq.

My dear Sir, New Bank Buildings, 12 March 1840.

I HAVE attentively considered the plan suggested in your letter of the 16th inst. of issuing revenue securities here, and instructing the resident commissioner in South Australia to receive the bonds, with the interest upon them, as cash in the payment of public land; and, upon the whole, I am of opinion that this cannot be done. The result may be attained by directing the colonial treasurer to pay the amount of any bonds tendered to him

Revenue Bonds payable for Lands.

him by any party to the resident commissioner in payment of land purchased by such party, and a notice to this effect may be inserted in or on the bond. The law requires ready money to be paid for the land; now these bonds are not ready money, but they may and must be converted into this. Practically, no money need pass. The colonial treasurer would send his note, receipt, or whatever it may be, to the resident commissioner, not in a negotiable form, but as a mere voucher, acknowledging to hold so much money to the credit of the commissioner, so as to prevent any other application of the money by the bondholder than for payment of lands.

These operations will render it more necessary to have a perfect form of book-keeping in the colony, and it would also be necessary to determine generally if the interest on the bonds should be paid in the colony; for the notice being an invitation to parties to send out their bonds, they may expect the current interest to be paid to them till it is convenient to them to apply the principal: this I think would be attended with some risk.

I am, &c.,
(signed) *Jas. Freshfield*, Jun.

R. Torrens, Esq.

New Bank Buildings, 7 May 1840.

My dear Sir,

I ENCLOSE you the form of a colonial revenue security, applicable to the purchase of land. I have left it in ink, in the form substantially in which it was sent to me, but I think it would be better as altered in pencil, omitting the option clause in the bond, and putting it in a memorandum at foot. Besides freeing the transaction from some questions, I think it more simple and comprehensible.

I am, &c.
(signed) *Jas. Freshfield*, Jun.

Col. Torrens, &c. &c. &c.

SOUTH AUSTRALIA COLONIAL REVENUE SECURITY.
4 & 5 William 4, c. 95.—1 & 2 Victoria, c. 60.

No. £.80.

WE, the undersigned Colonization Commissioners for South Australia, by virtue and in execution of the powers contained in an Act made and passed in the fifth year of the reign of King William 4, intituled, "An Act to empower His Majesty to erect South Australia into a British Province or Provinces, and to provide for the Colonization and Government thereof," and in another Act passed in the second year of the reign of Her present Majesty, for amending the last-mentioned Act, do hereby declare that the holder of this South Australia Colonial Revenue Security is entitled to be paid from and out of the ordinary revenue, or produce of all the rates, duties and taxes to be levied and collected within the province of South Australia, the sum of 80 *l.* of lawful money of Great Britain and Ireland, together with interest for the same at the rate of per centum per annum from the date hereof, payable by equal half yearly payments on the 15th day of and the 15th day in each year, for which payment to be well and faithfully made, we bind and charge the whole of the said revenue, rates, duties and taxes: provided always, and it is hereby declared, that in case the said Commissioners shall at any time give notice in the London Gazette that they are prepared to pay off this security, all interest shall cease at the expiration of six months next after the mention of such notice.

In witness whereof we have hereunto set our hands and seals the day of one thousand eight hundred and

Signed and sealed in the presence of

The holder hereof may have the amount of this bond applied at any time in purchase of land from the Commissioners in London, or their resident Commissioner in the colony. If he shall desire to complete the transaction in the colony, he must first produce the bond at the office of the Commissioners in London, to be endorsed for the purpose.

MEMORANDUM to be endorsed upon the Bond, should the holder be desirous of having the amount paid in the colony to the Resident Commissioner, as his, the holder's, money for land.

To the Colonial Treasurer of South Australia.

On the surrender of this security to be cancelled, please to pay out of the revenues of the colony the principal moneys secured thereby to the Resident Land Commissioner in South Australia, on account of land to be purchased by the holder hereof of the Commissioners; and also pay to the holder hereof the interest due thereon, from to the surrender hereof.

— (No. 3.) —

(No. 3.) South Australia Colonial Revenue Security.

SOUTH AUSTRALIA COLONIAL REVENUE SECURITY.

4 & 5 William 4, c. 95.—1 & 2 Victoria, c. 60.

No. Eighty Pounds. (80 *l.*)

WE the undersigned Colonization Commissioners for South Australia, by virtue and in execution of the powers contained in an Act made and passed in the fifth year of the reign of King William 4, intituled, "An Act to empower His Majesty to erect South Australia into a British Province or Provinces, and to provide for the Colonization and Government thereof," and in another Act passed in the second year of the reign of Her present Majesty, for amending the last-mentioned Act, do hereby declare that the holder of this South Australia Colonial Revenue Security is entitled to be paid, from and out of the ordinary revenue or produce of all the rates, duties and taxes to be levied and collected within the province of South Australia, the sum of 80 *l.* of lawful money of Great Britain and Ireland, together with interest for the same, at the rate of per centum per annum from the date hereof, payable by equal half yearly payments on the 15th day of and the 15th day of in each year; for which payment to be well and faithfully made, we bind and charge the whole of the said revenue, rates, duties and taxes: provided always, and it is hereby declared, that in case the said Commissioners shall at any time give notice in the London Gazette that they are prepared to pay off this security, all interest shall cease at the expiration of six months next after the mention of such notice.

In witness whereof we have hereunto set our hands and seals the day of one thousand eight hundred and

Signed and sealed in the presence of }

The holder hereof may have the amount of this bond applied at any time in purchase of land from the Commissioners in London, or their resident commissioner in the colony. If he shall desire to complete the transaction in the colony, he must first produce the bond at the office of the Commissioners in London, to be endorsed for the purpose.

MEMORANDUM to be endorsed upon the Bond, should the holder be desirous of having the amount paid in the colony to the Resident Commissioner as his, the holder's, money for land.

To the Colonial Treasurer of South Australia.

On the surrender of this security to be cancelled, please to pay out of the revenues of the colony the principal moneys secured thereby to the Resident Land Commissioner in South Australia, on account of land to be purchased by the holder hereof of the Commissioners, and also pay to the holder hereof the interest due thereon, from to the surrender hereof.

— (No. 4.) —

(No. 4.) Mr. Freshfield's Bill.

EXTRACT from Professional Bill of Mr. *Freshfield,* delivered to the Commissioners:—

1840.	£.	s.	d.
February 21.—Attending Colonel Torrens on questions arising in reference to the issuing revenue securities here, which should be received by the Resident Commissioner in South Australia, with the interest, as cash, in the payment of public land, and conferring thereon at length		13	4
March 14.—Having received a letter from Colonel Torrens, making further suggestions on the issuing revenue securities, perusing the Act of Parliament, and writing to him an opinion in reply		15	
April 23.—Attending Colonel Torrens a considerable time on the proposed form of bond, and the alterations required, when he handed us the draft, and requested us to revise the same		13	4
April 30.—Attending at Park-street, Scotland-yard, and the Adelphi, for information, to enable us to settle the draft bond		13	4
April 30.—Perusing the draft bond		13	4
May 4.—Fair copy bond, showing the alterations in red ink		6	
May 4.—Writing to Colonel Torrens on the objections to the form of bond		5	
May 5.—Attending Colonel Torrens; discussing at great length the objections attending the present form of bond		13	4
May 5.—Reperusing and altering the draft bond accordingly		10	
May 7.—Making fair copy of draft to send to Colonel Torrens		3	
May 7.—Writing to him therewith		5	
May 7.—Letters, &c.		5	

— (No. 5.) —

(No 5.)
Memorandum.

MEMORANDUM.

DESCRIPTION of the country in such districts of the province of South Australia as have hitherto been explored north and west of the peninsula bounded by Gulf St. Vincent and the Murray, being taken from despatches of Colonel Gawler, or from enclosures which he requests may be considered as official.

By Order of the Board,
S. Walcott, Secretary.

9, Park-street, Westminster,
18 March 1841.

EXTRACT of a Despatch from Colonel *Gawler* to the Colonization Commissioners for South Australia, dated 19 October 1839.

MR. EYRE left Port Lincoln for the northwestward on the 5th August. I had arranged to send a small vessel to meet him at Streaky Bay on the 15th September, with provisions and other necessaries; the one however which I engaged became very leaky just as she was to sail, and I hired a smaller one, which is still absent.

Mr. Eyre reached Cape Bauer much before the appointed time; the scrub there became so thick, that he left his horse team and rode on to Point Bell. On the 18th September, the small vessel not having arrived, he took the enterprising resolution of going directly across from Cape Bauer to the head of Spenser's Gulf. He reached this last point, then penetrated 100 miles to the northward along the western side of the Flinders range, and then returned in a nearly direct course to Adelaide, which he reached on Tuesday last the 15th instant. His journey has decided the question of the character of the peninsula, of which Port Lincoln is the extremity, and a line from Streaky Bay to the head of Spenser's Gulf the northern boundary. This country is decidedly worthless; there may be small verdant patches* within it, but they must really be small, and the supply of water everywhere is most indifferent. The country is low, with some projecting mounds and undulations; no rivers, streams, or chains of ponds, in fact nothing worth the title of a drainage; very few trees, the land everywhere scrubby and stony. A chain of mountains about 2,000 feet high runs along the northern boundary line, of a red amygdaloid or porphyry, bare and without a tree; from this the view to the southward was extensive, and nothing seen to encourage expectation; to the northward there was no view.

The harbours of Streaky and Denial Bays excellent, but no river. According to the information I have received, there cannot be a river of any size between Cape Bell and the western boundary of the province. The return of the small vessel will, however, probably fully decide this question, as Mr. Cannon was ordered to sound and examine thoroughly Streaky, Denial, and Fowler's Bays, as well as the coast between them, as far as it might be possible.

EXTRACT from Enclosure to Colonel *Gawler*'s Despatch to the Colonization Commissioners for South Australia, dated 11 January 1840—(No. 4, Surveys.)—containing an Account of Mr. Cannon's (one of the Assistant Surveyors) Voyage to Cape Bauer with provisions for Mr. Eyre, and to survey the Western portion of the Province as far as Denial Bay.

ON landing on the 8th in Denial Bay, I again found Mr. Eyre's track, but which did not appear even so fresh as that at Streaky Bay. Here three natives came up to us; they appeared quite friendly, and informed us by signs that Mr. Eyre had gone in a westerly direction from the bay for some distance, and had then returned along the coast to the eastward. Being now pretty certain that that gentleman had abandoned this part of the coast altogether, from the barrenness of the ground affording him no feed for his horses and the scarcity of water, from no answer ever having been made to our constant signals of guns and blue lights along the coast, and from the accounts of the natives, of whom we afterwards saw about 15, agreeing with the appearance of Mr. Eyre's track, I thought it better to proceed to Fowler's Bay than to remain on such an inhospitable shore any longer. But having only three gallons of water, we were detained several days before we could obtain a supply, which we got at last by digging in the sand on the south side of the inlet laid down in the French Chart, close to the shore of the ocean. After having examined the inlet, and ascertained that no fresh-water river emptied itself into the bay, I sailed for Fowler's Bay on the 17th, and came to an anchor there next day, but could not land on account of the heavy surf on the beach. On the 19th I got on shore, and walked inland about 10 miles, returning by the shore from Nuyt's Reefs. The land was rising to the north, and here, for the first time along this coast, it took the appearance of a range of hills, which, though of a considerable elevation, were of much too gentle declivity to throw off surface water. I was very anxious to have penetrated some distance into the interior, but the risk of laying in so open a bay with

* The largest of these known is about Port Lincoln, extending from it to the northward and westward.

(No. 5.) Memorandum.

with a vessel not heavily found in grouud tackling was too great at this season to allow time for any extensive examination of the country. As far as I saw, it still maintained the same character as at Streaky Bay and Denial Bay, firm sand, with occasional flat limestone rock, the low country covered with a thick scrub, and the rising ground with tea tree, or stunted eucalypti, with patches of coarse wiry grass interspersed with a little sweet grass. Between some drift sand-hills about a quarter of a mile from the bottom of the bay, we found fresh water by scratching a hole with our hands about a foot deep, and from the greenness and strength of the rushes growing around, I should think a supply might be obtained throughout the dry season, though not at so accessible a depth.

* * * * * *

You will perceive by the chart that Streaky Bay contains an excellent harbour; that Denial Bay affords many places of secure shelter, and that part of Smoky Bay is deep and completely landlocked. Notwithstanding these advantages, I consider this part of the province, from the barrenness of the land and the scarcity of fresh water, to be totally unavailable for any other purpose than that of whaling, for which, as far as I am able to judge, it seems peculiarly well adapted, and I regret that though I have examined the coast further west than those parties who preceded me from Adelaide, I cannot add a single word that would alter their unfavourable description of the country.

Extracts from Enclosure to Colonel *Gawler's* Despatch (No. 2, Land), dated 8 January 1840, to the Colonization Commissioners for South Australia.

The boats having fairly entered the river (the Murray), were favoured in their progress upwards by the prevailing winds of the season. Their progress was however slow, and it was not until the 10th December that they reached the Elbow. The weather to that date was favourable and cool, and it was impossible to navigate such a river without gratification, mingled with regret that so splendid a stream should water a country so limited in soil and fertility.

* * * * * *

The Governor occasionally left the boat and rode on the river flats or along the cliffs, and on these occasions he had the best opportunity to see and examine the country, and we only regret that he saw nothing to alter the opinion of the sterile character of the back country.

* * * * * *

The party left the camp on Wednesday, the 11th, at ten o'clock A. M., and after gaining the upper level of the fossil formation, proceeded into the interior on a N. W. course, which threw them about seven degrees to the eastward of that point. At about five miles the Governor and Captain Sturt ascended a small sandy range bearing N. N. E. from which they had sight of a lofty hill bearing 306° from north. It appeared to be from 30 to 40 miles distant, and to belong to a considerable range. Its appearance did not induce any change in the original course. Descending from the hill to the party, it crossed a succession of plains with stunted trees scattered in patches over them. There was a good deal of grass on some of the plains, but their general character was sandy, and the productions of a salsolaceous nature. At 18 miles from the camp the party stopped to lunch. The course was then altered a little to the westward, so that at the place at which they stopped for the night, about 32 miles from the river, the mountain they had seen from the hill bore 292° from north.

* * * * * *

On the morning of the 12th the party started on a course 315° from north, over the same description of apparently interminable plains, keeping the mountain, to which his Excellency had given the name of Mount Bryan, a little to the left. At one the party stopped for an hour. Several lofty peaks of remarkable outline having shown themselves in the northern horizon, now appearing to belong to main ranges towards which the party was moving, the course was changed a degree or two to the westward, but it was afterwards altered to the original one, 315°. The Governor had directed Mr. Inman to move on to a dark brown hill, considerably nearer than the main ranges. From the ground on which his Excellency was moving, the fall of water or the drainage of the plains appeared to be to the N. W.; the land seemed to dip to the mountains, and there was seemingly a valley at their base with a gradual descent, and lofty gum trees apparently growing in it. These evidences of an approach to a favourable change the assistant commissioner attributed to refraction, so strong and so singular in its effect in Australia, as very often to deceive the most experienced. Whilst the party was traversing the plain slowly, the Governor rode to the summit of a small range, a little to the westward of the hill on which he had directed Mr. Inman to move; there the illusion was at once dissipated; he had ascended above the influence of the mirage, and the landscape was before him without any false colouring; that which he had taken for lofty trees was a dark mountain, and hills which had appeared at an attainable distance were thrown back into their true places, and the level and unaltered plains seemed to extend to the base of the hills without a promise of water in any direction.

(No. 5.)
Memorandum.

EXTRACT from Notes on the Geological Formation of the Country bordering Lake Alexandrina and the Murray, by his Excellency Governor *Gawler*, enclosed in his Despatch (No. 2, Land), 8 January 1840.

NORTH of the Great Bend the brush almost disappears, and the open ground spreads out into enormous plains, from 65 to 80 miles in length from north to south, and to the eastward extending to the limits of vision. If water could be procured, these plains and th mountains which bound them would be good sheep pastures.

8. The most remarkable feature of the surface of the great fossil formation is its want of watercourses and water. Along the immediate banks of the Murray, water has worked out deep gullies, but these are very short; generally the rain appears to lodge on its surface in very numerous shallow patches, and to be carried off by evaporation.

9. It would appear very practicable to construct tanks, at least near the bases of the mountains, to retain water, and render the sheep pastures available.

COPY of Enclosure to Colonel *Gawler's* Despatch (No. 45, Survey,) addressed to the Colonization Commissioners for South Australia, and dated 8 August 1840.

Depôt, near Mount Arden,
22 July 1840.

Sir,

I HAVE the honour to acquaint you, for the information of his Excellency the Governor, and of the colonists interested in the northern expedition, of the progress made up to the present date.

I arrived here with my party all well on the 3d July instant, and on the 6th I proceeded, accompanied by one of my native boys, on horseback, to reconnoitre Lake Torrens and the country to the north of the depôt, leaving the party in camp to rest the horses and enable the overseer to get up, from the head of Spenser's Gulf, the supplies kindly sent by his excellency the Governor in the Waterwitch, her arrival having been signalized the evening previous to my leaving. I arrived on the shores of Lake Torrens the third day after leaving the depôt, and have ascertained that it is a basin of considerable magnitude, extending certainly over a space varying in width from 15 to 20 miles, and with a length of from 40 to 50, from its southern extremity to the most northernly part of it, visible from a high summit in Flinders range (about 90 miles north of Mount Arden). The lake is girded with an outer ridge of sand, covered with salsolaceous plants, and with saline crusts appearing above the ground at intervals. Its waters extend over a considerable surface, but they are apparently shallow. I could not approach the water, from the soft nature of that part of its bed, which is uncovered, and which reached from three to four miles from the outer bank to the water's edge. There can be no doubt, however, of its being very salt, as the portion of its bed which lay exposed to our view was thickly coated with pungent particles of salt. There were not any trees or shrubs of any kind near the lake where we made it, nor could either grass or fresh water be procured for our horses. Lake Torrens is bounded on its western side by high land, apparently a continuation of the table land to the westward of the head of Spencer's Gulf. I should think that it must receive a considerable drainage from that quarter as well as the whole of the waters falling from Flinders range to the eastward.

From the very inhospitable nature of the country around the lake, I could not examine it so carefully or so extensively as I could have wished. My time, too, being very limited, made me hurry away to the northward, to search for a place to which I might bring on my party, as the grass in the neighbourhood of the depôt is very old, and much less abundant than in either of my former visits there. It became, therefore, imperative on me to remove the horses as speedily as possible. Should circumstances permit, I shall, however, endeavour to visit Lake Torrens again on my return from the northern interior. After leaving the lake I spent many days in examining the country to the northward of our depôt. Its character seemed to vary but little; barren sandy plains still formed the lower level, and the hills constituting the continuation of Flinders range were still composed of quartz and ironstone; they are, however, gradually becoming less elevated and more detached, with intervals of stony vallies between, and the whole country was, if possible, assuming a more barren aspect, while the springs, which had been heretofore numerous among the hills, were very few in number, difficult to find, and very far in amongst the hills. After a most anxious and laborious search I at last succeeded in finding a place about 90 miles (of latitude) north of Mount Arden, to which I can remove my depôt, and from which I can again penetrate more to the northward.

After an absence of sixteen days I rejoined my party under Mount Arden on the evening of the 21st July, and found they had safely received all the supplies sent for our use by the Waterwitch. The latter has been detained until my return, for despatches, which I shall send down to-morrow, and on the 24th I intend to move on with my party to the new depôt. I regret it is not in my power to afford more certain information as to the future

(No. 5.) Memorandum.

future prospects of the expedition, but where so little alteration had taken place in the features of the country I had been examining, conjectures alone can anticipate what may be beyond. From the very difficult nature of the country we are advancing into, our further progress must necessarily be very slow for some time, but I still hope that by patience and perseverance we shall ultimately succeed in accomplishing the object of the expedition.

I have, &c.
(signed) *Edward John Eyre.*

To the Chairman of the Committee of Colonists for promoting the Northern Expedition.

Paper, No. 15.

DESPATCHES addressed to and received from His Excellency Colonel *Gawler*, Resident Commissioner in *South Australia*, on Subjects connected with Finance, during the Years 1838, 1839, 1840.

SCHEDULE.

NO.	NAME.	DATE.	SUBJECT.
1	- - - -	- - -	- - Memorandum.—Appointment of Colonel Gawler, and of his arrival in the colony.
2	Commissioners -	9 Nov. 1838 -	- - Financial instructions to Resident Commissioner, with schedule of authorized establishment in South Australia.
3	Ditto - - -	- - -	Financial instructions to colonial treasurer.
4	Ditto - - -	23 Nov. 1838 -	Instructions to auditor-general.
5	Ditto - - -	- - -	Memorandum.—Park lands.
6	Colonel Torrens -	29 Oct. 1838 -	- No. 74. Finance.—Emergency credit.—(Two Enclosures.)
7	Colonel Gawler -	26 Oct. 1838 -	No. 7. Miscellaneous.—(Extract.)
8	Ditto - - -	27 Oct. 1838 -	No. 8. Finance.—(Extract.)
9	Commissioners -	31 May 1839 -	No. 43. Miscellaneous.—(Extract.)
10	Ditto - - -	31 May 1839 -	No. 46. Finance.—(Extract.)
11	Colonel Gawler -	5 Dec. 1838 -	No. 10. Finance.—(Extract.)
12	Ditto - - -	2 Feb. 1839 -	No. 8. Finance.—(Extract.)
13	Commissioners -	2 Aug. 1839 -	No. 64. Miscellaneous.—(Extract.)
14	Ditto - - -	2 Aug. 1839	No. 67. Finance.—(Extract.)
15	Colonel Gawler -	8 April 1839 -	No. 14. Finance.—(Extract: one Enclosure.)
16	Commissioners -	15 Nov. 1839 -	No. 93. Finance.—(Extract.)
17	Colonel Gawler -	8 April 1839 -	No. 15. Finance.—(Extract.)
18	Commissioners -	15 Nov. 1839 -	No. 94. Finance.
19	- - - -	- - -	Memorandum.—Purchase of Flour, 3,000*l.*
20	Colonel Gawler -	18 July 1839 -	No. 25. Finance.—(Extract.)
21	Ditto - - -	23 Aug. 1839 -	No. 27. Finance.—(Extract.)
22	- - - -	- - -	Memorandum.—Lands and surveyors.
23	Commissioners -	23 May 1840	No. 27. Land-surveys.—(Extract.)
24	Colonel Gawler -	10 Oct. 1839	No. 35. Finance.—(Extract.)
25	Commissioners -	4 Aug. 1840 -	No. 52. Finance.
26	Colonel Gawler -	26 Oct. 1839 -	No. 43. Land-surveys.—(Two Enclosures.)
27	Commissioners -	23 May 1840 -	No. 28. Land and surveys.
28	Colonel Gawler -	30 Oct. 1839 -	No. 46 A. Finance.
29	Ditto - - -	30 Oct. 1839 -	No. 46 B. Finance.—(Extract.)
30	Commissioners -	23 May 1840 -	No. 37. Finance.
31	Colonel Gawler -	14 Nov. 1839 -	No. 47. Miscellaneous.—(Extract.)
32	Ditto - - -	26 Nov. 1839 -	Enclosure in No. 50.—Half yearly Report.
33	- - - -	- - -	- - Memorandum.—£.15,000 loan from South Australian Company.
34	Colonel Gawler -	3 Feb. 1840 -	No. 10. Finance.—(Extract.)
35	- - - -	- - -	- - Memorandum.—Colonel Gawler's vindication of expenditure.
36	Commissioners -	8 July 1840 -	Separate finance.
37	Ditto - - -	24 Aug. 1840 -	No. 58. Finance.
38	Ditto - - -	14 Sept. 1840 -	No. 59. Finance.
39	Colonel Gawler -	21 March 1840	No. 26. Miscellaneous.—(Extract.)
40	Ditto - - -	4 April 1840 -	No. 27. Finance.—(One Enclosure.)
41	Commissioners -	25 Nov. 1840 -	No. 72. Finance.
42	Colonel Gawler -	20 Aug. 1840 -	No. 47. Finance.
43	Ditto - - -	24 Nov. 1840 -	No. 54. Finance.

— (No. 1.) —

MEMORANDUM.

(No. 1.) Memorandum.

Colonel Gawler was appointed Resident Commissioner in South Australia, of which he was likewise Governor, upon the 25th of May 1838.

He reported his arrival in the colony on the 13th of October 1838.

— (No. 2.) —

Instructions to the Resident Commissioner of *South Australia*, in regard to the Receipt and Expenditure of the Public Money.

(No. 2.) Instructions to Resident Commissioner.

1. You will direct your earliest attention to the security and safe custody of the public treasure, and, after consultation with the treasurer and the auditor-general, you will sanction such regulations as may appear to you best adapted for that important object, and also for the preservation of all official books and documents.

2. All money raised in the colony under the provisions of the 4 & 5 Will. 4, c. 95, and 1 & 2 Vict. c. 60, and all public money of every description, must be forthwith paid, without any deduction, to the colonial treasurer.

3. The Colonization Commissioners have opened with the South Australian Company an account at their bank in South Australia, under the title of "Emigration Fund Account," to the credit of which the colonial treasurer must forthwith pay, in the name of the Colonization Commissioners, all money received from the sale of land, and rent of pasturage in the colony, and from sales of stores consigned by, or purchased on account of, the Colonization Commissioners for sale in the colony; such payments to be withdrawn as hereinafter provided.

4. Schedules are delivered herewith of the establishment and appointments in South Australia, as fixed by the Colonization Commissioners, and approved by the Lords Commissioners of the Treasury.

5. You are strictly prohibited from making any new appointment, or increasing the salary of any officer specified in those schedules, without the previous authority of the Colonization Commissioners, sanctioned by the Lords Commissioners of the Treasury.

6. You will be held responsible for any departure from this regulation.

7. The colonial treasurer has been instructed to make no payment of any kind, even for salaries fixed by the Colonization Commissioners, and approved by the Lords Commissioners of the Treasury, without a warrant or order in writing signed by you, specifying the nature of the account, and the date and number of the document by which the Colonization Commissioners authorized the same.

8. Before ordering payment of any account, you will cause it to be examined and certified as due, by the principal officer in the department to which it belongs, and you will take such other means as you may deem necessary to satisfy yourself of its accuracy.

9. You are not to direct the execution of any public works, whether buildings, roads, bridges, canals, &c., without plans and detailed estimates of the whole expense being first submitted to the Colonization Commissioners, and approved by them; neither are you to incur any expense of a special or extraordinary nature without their previous authority, except in cases of the most pressing emergency, when such previous authority cannot be obtained without serious injury to the public service. In every such case you will make a full report of all the circumstances to the Colonization Commissioners; and the date and number of such communication are to be specified in the warrants for payment.

10. All Government works are to be executed by contract, if possible.

11. You are not, under any circumstances, to grant or allow any loan of public money or public stores.

12. You will, at least twice in every year, at uncertain times, direct two of the principal officers under your authority to examine the actual state of the treasurer's funds, and the contents of the colonial chests, to compare the same with the books, and to report to you the result of their investigation, stating the particulars of the balances counted by them; such examination to be in concert with the treasurer, if possible. Certified copies of such reports must accompany the accounts next transmitted to this country.

13. You are in no case, of your own authority, to order payment of more than half salary to any person holding an office "*pro tempore*," in the absence of the party duly appointed to such office; nor in the case of the death or resignation of any person duly appointed, unless it be found impossible otherwise to procure a fit person to perform the duty of the principal.

14. You will furnish the auditor-general with copies of all general regulations and orders relating to the finances and accounts of the colony, to assist him in the performance of his duty; and you will give directions to the heads of the several departments, that he may have access at all times to the official books and documents from which the information he

he may require in examining and reporting upon the various accounts submitted or to be submitted to him may be obtained.

15. If it should appear that there is a default on the part of any person entrusted with the public money or stores in paying over or accounting for the same, you will take the necessary steps, without delay, for recovering or securing the amount of such default.

16. Except in the cases specially provided for in the Act of the 4 & 5 Will. 4, c. 95, you are not, without previous authority from this country, to alienate any property which is or may be appropriated as belonging to the Crown.

17. You are not to raise money in aid of the colonial revenue, either by way of loan, or by the issue of a paper currency of any description.

18. When the balance in hand upon the Revenue Fund is not sufficient to pay accounts which are fully due, and which you deem it necessary to pay, you will state to the Governor in Council the sum you require, the account for which you require it, the balance in hand upon the Revenue Fund, and the balance in the South Australian Company's bank upon the Emigration Fund, and you will then apply for authority to draw upon the Emigration Fund in the South Australian Company's bank; and (should that fund be insufficient for the sum required) also to draw a bill or bills of exchange upon the Colonization Commissioners; but the total amount of the sum or sums received from the Emigration Fund, and also of the said bill or bills together, must not exceed the sum of two thousand five hundred pounds (2,500 *l.*) during each three months, ending 31st March, 30th June, 30th September and 31st December in each year. Upon obtaining the authority of the Governor in Council, you will, in conformity therewith, issue your warrant to the South Australian Company's bank, payable only to the colonial treasurer, for the sum which is allowed to be received from the Emigration Fund; and should you be authorized to draw a bill or bills of exchange upon the Colonization Commissioners, you will issue your warrant accordingly, and will cause the said bill or bills to be drawn in full conformity with the instructions given by the Colonization Commissioners to the colonial treasurer. The Order of Council you will transmit to the treasurer, with your warrant.

19. For all monies received from the Emigration Fund in aid of the Revenue Fund, you will cause to be kept a distinct account, under the title of the "Emigration Fund Loan."

20. Although, in order to provide against difficulties which may arise from unforeseen circumstances, the aforesaid amount of two thousand five hundred pounds (2,500 *l.*) has been made to exceed the total of the fixed expenses, you will distinctly understand that the right to exceed that expenditure is not thereby in any degree extended.

21. From time to time the Colonization Commissioners will revise and reduce the aforesaid amount of 2,500 *l.*

22. The Commissioners have appointed the South Australian Company and the Australasian Banking Company agents for negotiating their bills. They have also appointed, for the same purpose, Messrs. Montefiore, Breillat & Co., of Sydney, and Messrs. Montefiore, Furtado & Co., of Hobart Town. These parties have been respectively informed, that the Commissioners will guarantee each to the extent of 3,000 *l.* per annum, but that no bills will be accepted unless drawn in exact conformity with the instructions which have been given. The aggregate amount guaranteed has been made to exceed the authorized drafts, in order to prevent your being too much restricted to any one agency.

23. You will report specially to Her Majesty's Secretary of State for the Colonies, for the information of the Lords Commissioners of the Treasury, all cases which may come to your knowledge of any property having accrued to Her Majesty, or of any sums having been payable on account of the Queen's casual revenue, such as droits, escheats, &c.

24. In all such cases the proceeds must be received by the colonial treasurer, and accounted for in his public accounts, and adjusted between the Colonization Commissioners and the Government in England, unless Her Majesty's Government order otherwise.

25. The colonial treasurer is required by his instructions to keep two separate accounts, viz.

An Emigration Fund account of monies received from sale of land and rent of pasturage in the colony, and from sales of stores consigned by or purchased on account of the Colonization Commissioners for sale in the colony, such fund being applicable solely to the purposes of emigration; and,

An account of all other monies, such as proceeds of bills upon England, consignments of specie, proceeds of sales, colonial revenue, droits, escheats, &c. and all public monies derived from every source not otherwise directed.

26. You will take care not to grant your warrant for payment, except for the *bonâ fide* purposes indicated in the Act, inasmuch as you will be personally liable for every sum not so applied.

27. You are to exercise a vigilant superintendence and control over the accounts of the treasurer, collector of revenue and accountant-general (which appointments are united in the same person), as well as over all colonial officers in any way concerned in the receipt or custody of the public money; and you are to take all necessary measures for enforcing a strict observance of their respective duties, particularly for ensuring regularity in the making up of the public accounts, in the prompt examination of them by the auditor-general, and their early transmission to this country for final audit.

28. You will cause each public office to be supplied with official books belonging to the Colonization Commissioners, and therein to be regularly kept in each office records of its proceedings.

(No. 2.) Instructions to Resident Commissioner.

29. All letters and reports are to be consecutively numbered, and such number to be stated when reference is made to any previous communication.

30. You will cause all accepted tenders, accounts, receipts and vouchers to be delivered in triplicate, and one copy thereof to be preserved in the office of the auditor-general, so that upon sending duplicates to England you will have evidence of the account and of payment remaining in the colony.

31. Before the expiration of the months of January and July in each year you will apply to the Governor to submit to his Council Revenue Fund estimates of the whole revenue and expenditure which he may deem necessary for the six months, commencing from the 1st of January or 1st of July next ensuing, as the case may be, so that such estimates may be despatched for England before the end of the next following month; and whilst the revenue is inadequate to the expenditure, the estimate should be accompanied by a formal request to the Colonization Commissioners that they will provide funds for the deficiency.

32. The estimates should contain, systematically arranged under various heads:
Expenditure which has been authorized.
Expenditure which is required in addition thereto.
Revenue derivable from established taxation.
Taxes which it may be necessary to levy.

33. According to the printed "Rules and Regulations" issued from the Colonial-office for the information and guidance of the principal officers and others in Her Majesty's colonial possessions, if the aforesaid estimates meet with the concurrence of the majority of the Council, they will be passed in the form of an ordinance, and be by the Governor transmitted to this country at the earliest opportunity, to be sanctioned or amended as may appear necessary for the public service.

34. If the estimates contain money to be paid on account of work then in progress, there should be sent a statement of the sums already paid upon the said work, and the sum which will be required to complete it; and also the date and number of the document which authorized it.

35. When this estimate shall have been passed by the Council, and sanctioned or amended by the authorities in England, the expenditure of the six months to which it refers must be held to be definitively limited and arranged, and no authority must be solicited for any further disbursements on account of the service of that period, unless arising from circumstances of unforeseen emergency. Under such circumstances, the proper course will be to submit to the Legislative Council, in the first instance, a supplementary estimate of the expenditure required, and unless the circumstances be such as to forbid the delay of a reference to this country, the same course will be pursued with the supplementary estimate as has been prescribed in respect of the original one.

36. You will cause these instructions to be recorded in the auditor-general's office.

Given at London, this 9th day of November 1838.

By order of the Board.

(signed) *John Gliddon*,
Assistant Secretary.

(signed) *Rob. Torrens.*
Samuel Mills.
Josiah Roberts.

(L. S.)

Enclosure in No. 2.

Enclosure in No. 2. AUTHORIZED ESTABLISHMENT in *South Australia*, enclosed in Instructions to the Resident Commissioner and Colonial Treasurer, dated 9 November 1838.

OFFICE.	NAME.	SALARY, PER ANNUM. £.	s.	d.
Governor and Colonial Commissioner -	Lieut.-col. Geo. Gawler	800	–	–
Secretary to Governor and Clerk of Council - - - - -	Lieutenant Hall - -	200	–	–
Assistant Commissioner and Registrar -	- - - - -	400	–	–
Clerk to ditto - - - - - -	Captain Berkeley -	80	–	–
Judge - - - - - - -	Charles Cooper, esq. -	500	–	–
Colonial Secretary - - - -	Robert Gouger, esq. -	400	–	–
Clerk to ditto - - - - - -	- - - - - -	60	–	–
Colonial Treasurer, Collector of Revenue, and Accountant-general - -	Osmond Gilles, esq. -	300	–	–
Clerk to ditto - - - - - -	J. W. Fincke - -	60	–	–
Advocate-general and Crown Solicitor -	Charles Mann, esq. -	300	–	–

(No. 2.)
Instructions to Resident Commissioner.

Enclosure in No. 2.

OFFICE.	NAME.	SALARY, PER ANNUM.
		£. s. d.
Emigration Agent	John Brown, esq.	250 – –
Naval Officer and Harbour-master	Captain Lipson, R. N.	200 – –
Auditors (alternate years)	John Morphett, esq.	100 – –
	Robert Todd, esq.	
Chaplain	Rev. T. B. Howard	250 – –
Surgeon	Thos. Young Cotter, esq.	100 – –
Storekeeper	Thomas Gilbert, esq.	100 – –
Clerk to ditto	Thomas Rogers	50 – –
Protector of the Aborigines	– – – – –	250 – –
Surveyor-general	Colonel William Light	400 – –
Deputy Surveyor	G. S. Kingston, esq.	200 – –
Assistant Surveyors	B. T. Finnis	120 – – the 1st year,
	—— Jacob	
	—— Symonds	
	—— Neale	150 – – the 2d year, and
	G. O. Ormsby	
	—— Pullen	
	J. R. Nixon	180 – – the 3d year.
	J. B. Winter	
	J. M'Laren	
Junior Assistant Surveyors	John Cannan	50 – –
	Alfred Hardy	50 – –

N. B.—Colonel Light has been instructed to select two of the above Assistant or Junior Assistant Surveyors, and to remove them from office, thus reducing the number by two.

Surveyors' Labourers	33 men, each	– 12 – per week.
Officers of the Rapid, not included among the Surveyors:		
Commander	Lieut. W. G. Field	10 – – per month.
1st Officer	Alfred Barker	5 – – ditto.
2d ditto	Joseph Child	3 10 – ditto.
Surgeon	Charles Mitchell	5 5 – ditto.
Carpenter	James Freemantle	5 – – ditto.
Steward	Angus Duncan	3 10 – ditto.
Cook	Nimrod Lambert	3 – – ditto.
6 Seamen	– – – – –	3 – – ditto (each).
1 ditto	– – – – –	2 – – ditto.
1 Apprentice for four years	Edward Gandy	5 – – 1st year, to be advanced 1*l.* p' ann.
Superintendent of Police	– – – – –	200 – – per annum.
Inspector	James Stuart	150 – – ditto.
Sub-inspector	William Baker Ashton	125 – – ditto.

			£. s. d.
The Total Amount of the foregoing Schedule, per annum			8,322 12 –
Of which the following sums are payable in England, viz.			
On account of Colonel Light, per annum	£. 200 – –		
Ditto – – Mrs. Pullen	25 – –		
Ditto – – Seamen of the Rapid, as per statement of payments in letter, No. 29	126 10 –		
			351 10 –
The sum payable in the Colony this year is about		£.	7,971 2 –

When an officer receives an allowance for passage to the colony, his salary commences on his arrival here. When he has no such allowance, he is entitled to half-pay during the voyage.

(No. 2.) Instructions to Resident Commissioner.

Any officer who may be appointed *pro tempore*, must receive half salary only until his appointment shall be confirmed in England, when he will become entitled to full salary from the date of his first appointment.

Given at London, the 9th day of November 1838.

Enclosure in No. 2.

By order of the Board,

(signed) *John Gliddon*, Assistant Secretary.

(signed) *Robert Torrens.*
Josiah Roberts.
James Pennington.

— (No. 3.) —

(No. 3.) Instructions to Colonial Treasurer.

INSTRUCTIONS to the COLONIAL TREASURER of *South Australia*, in regard to the Receipt and Expenditure of the Public Money.

1. UNDER the provisions of the 4 & 5 Will. 4, c. 95, all monies under the control of the Colonization Commissioners for South Australia are to be received and paid by their treasurer.

2. You will accordingly take charge of all such monies in the colony, and you will be personally responsible for the same. Your accounts will be audited by the Commissioners for auditing the Public Accounts.

3. On your arrival in the colony, your earliest attention will be directed, under the sanction of the Resident Commissioner, to the safe custody and security of the public treasure.

4. You will be supplied with account books and other necessary official books, which you will cause to be duly preserved, and you will take care that all your money transactions are regularly and methodically entered therein.

5. You are to keep two distinct accounts; viz.

An emigration fund account, arising from the sales of land and rent of pasturage in the colony, and also from sales of stores consigned by or purchased on account of the Colonization Commissioners for sale in the colony; and

An account of all other monies received and expended in the colony, which are not applicable to the purposes of emigration.

6. All money received from the sale of land and rent of pasturage in the colony, and from the sale of stores consigned by or purchased on account of the Colonization Commissioners, for sale in the colony, must be by you forthwith paid to the South Australian Company's Bank, to the credit of the Colonization Commissioners for South Australia, to be kept as a separate account, under the title of "Emigration Fund Account," which will be withdrawn as hereinafter provided, and also by order from the Colonization Commissioners.

7. You are not to receive any money on account of the Colonization Commissioners without authority in writing from the Resident Commissioner, or from the principal of the public office on account of which such payment is made, and such authority must state the amount and object of the payment.

8. When the balance in hand upon the Revenue Fund is not sufficient to pay an account which is fully due, and to pay which you have received a warrant from the Resident Commissioner, and at all other times when required by him, you will forthwith state to him the sum you require, the account or accounts for which you require it, the balance in hand upon the Revenue Fund, and the balance in the South Australian Company's Bank upon the Emigration Fund.

9. If the Resident Commissioner deem it necessary, he is instructed to apply to the Governor in Council for authority to draw upon the Emigration Fund in the South Australian Company's Bank; and should that fund be insufficient for the sum required, also to draw a bill or bills of exchange upon the Colonization Commissioners; but the total amount of the sum or sums received from the Emigration Fund, and also of the said bill or bills together, must not exceed the sum of 2,500 *l.* during each three months ending 31st March, 30th June, 30th September, and 31st December in each year.

10. Upon his obtaining the authority of the Governor in Council, which he is instructed to transmit to you, with his warrant, he will, in conformity therewith, issue his warrant to the South Australian Company's Bank, payable only to you for the sum which is allowed to be received from the Emigration Fund; and should he be authorized to draw a bill or bills of exchange upon the Colonization Commissioners, he will issue his warrant to you accordingly.

11. When, by warrant from the Resident Commissioner, you are instructed to draw upon the Colonization Commissioners a bill or bills of exchange, you will require from him the order of the Governor in Council, authorizing the same; without the said warrant and order, you will not draw any such bill.

12. For all monies received from the Emigration Fund, in aid of the Revenue Fund, you will keep a distinct account, under the title of the "Emigration Fund Loan."

13. Every bill of exchange, drawn from the colony upon the Colonization Commissioners,

(No. 3.) Instructions to Colonial Treasurer.

sioners, must be at 60 days' sight, be signed by you, and be countersigned by the Resident Commissioner, and have attached thereto a letter of advice, so signed and countersigned, stating particulars of the bill, name and address of the party to whom payment is made, the nature of the account, with the dates when it commenced and terminated, and that no part of the payment is in advance; and also stating the date and number of the letters or other documents from the Colonization Commissioners which authorized the same. You will, of course, at all times use the printed form, bill of exchange and letter of advice, which have already been supplied by the Colonization Commissioners.

14. You are as early as possible after the end of each month, or more frequently, if so required by the auditor-general, to transmit to him an account current of your receipts and payments in the course of such month, accompanied by the proper authorities and vouchers in triplicate. At the expiration of each quarter, ended 31st March, 30th June, 30th September, and 31st December, you will transmit to the auditor-general a quarterly abstract of such monthly accounts, which, after being examined by him, will be transmitted to England for final audit, together with the authorities and vouchers.

15. You are to make, before the Resident Commissioner or auditor-general, the following declaration, to be written on your quarterly account current, and to be attested by the person before whom such declaration is made:—

"I, A. B., do solemnly declare, That the above is a true statement of my account as colonial treasurer of South Australia.

"Declared before me, this day of ."

16. In proof of the charge side of your account, you will be required to produce the warrant of the Resident Commissioner and order of the Governor in Council, authorizing the payments from the Emigration Fund, and also the drawing of each bill of exchange,—a statement of the rate of exchange at which such bill was negotiated,—accounts of sales, invoices, and certificates of consignments of specie,—the warrant of the Resident Commissioner, or of the principal of the public office on account of which payment is made to you, and such other documents as may satisfactorily explain each transaction, and prove the correctness of the account delivered by you.

17. In support of your disbursements, you will be required to produce the warrants of the Resident Commissioner, which must specify the nature of the account, and the date and number of the document by which the Colonization Commissioners authorized the same. The warrant to be accompanied by the account, certified as due by the principal officer in the department to which it belongs (you will make no payment of any description without such warrant), receipts of the parties, bills of particulars, and such other documents as may be necessary to show that the payments are correct.

18. Whenever any salary or other payment due to an individual is claimed on his behalf by another party, you will require a power of attorney or authority in writing in support of such claim, together with a certificate attested by a magistrate, clergyman, or other public functionary, stating that the party is alive at the time of such payment becoming due, and you will, before payment is made, cause the authority to be exhibited to the auditor-general, and registered in his office.

19. You will take all receipts in triplicate.

20. Should it appear to you, with reference to the Colonization Act (4 & 5 Will. 4, cap. 95, and 1 & 2 Vict., cap. 60), or upon comparing the warrants of the Resident Commissioner for salaries and allowances, with the schedules of establishment and appointments authorized by the Colonization Commissioners, and approved by the Government at home, which are delivered herewith, and which you are hereby required in all cases to do, that such warrants are at variance with the schedules, or with these instructions, or that the payments directed to be made are not for the *bonâ fide* purposes indicated in the Act, you will, before payment, respectfully represent the same to the Resident Commissioner, and defer payment until you receive from him further directions. You will attach to your accounts copies of such representations, and of the answers or directions you may have received.

21. In all cases of difficulty or doubt, not provided for by these instructions, or by such as you may hereafter receive from the Colonization Commissioners, you will apply to the Resident Commissioner for his directions.

22. You will cause these and all other general instructions to be recorded in the auditor-general's office.

Given at London, this 9th day of November 1838.

By order of the Board.

(L. S.) (signed) *John Gliddon*, Assistant Secretary.

— (No. 4.) —

(No. 4.) Instructions to Auditor-General.

INSTRUCTIONS to the AUDITOR-GENERAL in *South Australia.*

1. YOU will make application to the Resident Commissioner, and obtain from him a full statement of all monies, stores, and provisions received in the colony on account of the Colonization Commissioners; you will also obtain from him a full statement of all monies, orders for money, stores and provisions issued, and such other statements as you may find necessary to give you full information upon all subjects connected with your duties.

2. At the end of each month, you will require from the South Australian Company's bank in South Australia, a separate statement of each account which they shall then have with the Colonization Commissioners.

3. You will call upon all parties accountable to the Colonization Commissioners to transmit their accounts to you, without delay, for examination, made up to the latest possible period; and you will instruct all persons so accountable to make up and transmit their accounts to you in future, at the times and periods specified in their instructions, and at such other times and for such periods as you may deem proper.

4. You will obtain from the colonial treasurer and from the storekeeper, copies of their instructions; and you will be furnished by the Resident Commissioner with copies of all orders or regulations issued by him relative to the receipt, custody, and expenditure of the public money and stores, and in the examination of the respective accounts. You are authorized, at all convenient times, to inspect all instructions of a financial nature which then have been given; and you will see that all instructions and regulations have been properly attended to and complied with.

5. The following outline may assist you in the performance of this part of your official duty:

1. You will ascertain whether the accountant has been properly charged with the whole of the money and stores for which he is accountable.
2. That the account is arithmetically correct as to castings and computations, and that there are no double credits.
3. That the disbursements are vouched by proper receipts and acquittances or other sufficient evidence.
4. That the receipts and expenditure have been duly authorized, and all established regulations properly observed.
5. That the articles of expenditure are proper and reasonable in their nature and amount.
6. That the prices of stores, or other articles purchased for the public service, appear to be fair and reasonable.
7. That the balances of public money remaining in the hands of the principal accountant or his sub-accountants are not greater than the nature of the service requires.
8. That all persons to whom issues are made upon account have been put in charge, and called upon to render their accounts.

Lastly. Whether any irregula rity appears in the mode of conducting the service with which you are connected, and to which the attention of Government ought to be directed. If such irregularity exist, you will immediately give information thereof to the Governor and Resident Commissioner.

6. An account of public expenditure, with a view to all the purposes of audit and control, should be subject to strict examination upon the foregoing points; but it is not intended by this suggestion to circumscribe the free exercise of your own judgment, inasmuch as the efficient and conscientious discharge of your public duty must mainly depend upon your own activity and zeal.

7. The whole of the monies under the control of the Colonization Commissioners received in the colony will pass through the hands of the colonial treasurer. It is his account, therefore, which will require most of your attention.

8. From the access you will have to official persons and documents in the colony, you will have no difficulty in checking that part of his receipts which consists of monies derived from sales by auction, rent of pasturage, sales of stores, monies raised by bills of exchange or consignments from home, which will constitute the principal part of charge to him. But though the correctness of the credits given may be proved to your own satisfaction, you are to take care that these and all other matters in his account are substantiated, and that the account, when sent home, is accompanied by accounts of sales, certificates of the rate of exchange at which each bill was negotiated, invoices and certificates of the counting of specie consigned, and by such other documents or explanatory statements as may be satisfactory

(No. 4.) Instructions to Auditor-General.

factory to the Commissioners of Audit, and obviate the necessity of a reference back to South Australia for further explanation.

9. With respect to the treasurer's disbursements, it will be desirable that his payments, as far as practicable, should be final payments, and that his issues upon account to other departments should be limited as much as possible; but as the concerns of the colony become more extended, advances upon account to officers at distant stations may probably become unavoidable.

10. You will allow of no payment in the treasurer's account, although sanctioned by schedules of appointments or established regulations, without a warrant of the Resident Commissioner; nor will you allow any payments beyond those sanctioned by the schedules or established regulations, until you have seen the authority from the Colonization Commissioners under which the warrants for payment have been issued; and if at any time the Resident Commissioner shall have directed the payment of any expense or sums which in your opinion are not for the *bonâ fide* purposes indicated in the Act (4 & 5 Will. IV., c. 95,) you will make a note of your doubts upon the subject, either upon the warrant or upon the account, for the information of the Commissioners of Audit.

11. All payments, whether final or upon account, must be supported by receipts of the parties; but the receipts for final payments must also be accompanied by abstracts or accounts of particulars, together with attested copies of the under vouchers, estimates, tenders, contracts, certificates and such other documents as may be necessary to prove the correctness of the claim.

12. With respect to issues upon account, you will keep such official books belonging to the Colonization Commissioners as you may deem suited to the purpose, recording all such payments. You will lose no time in proceeding with the examination of accounts, and having completed the same, you will send home to the Colonization Commissioners by the earliest opportunities the accounts and vouchers in duplicate, in order that they may be passed, if possible, simultaneously with the treasurer's accounts.

13. If it should appear to you that larger sums have been issued to any sub-accountants, or that larger balances remain in their hands, than the exigencies of the service require, you will respectfully point out the same to the Resident Commissioner.

14. Should you discover any over-payments, errors or omissions to the prejudice of the public, you will not be satisfied in such cases with merely making a nominal surcharge to be absorbed in the general balance, but you will call upon the party immediately to repay the amount, and you will not omit any necessary proceedings to enforce this requisition until you are satisfied that the same has been actually repaid and brought back to the credit of the public; and in case of any default you will immediately communicate the circumstance to the Governor and Resident Commissioner, in order that steps may be taken for the recovery of the amount without delay.

15. In the event of the death, resignation or removal of any public accountant, you will lose no time in obtaining his final account; and, in case there should be any balance due from the accountant upon such account, you will call upon the party, without waiting for the final examination of the account, to pay over the balance to the colonial treasurer, and, if necessary, you will inform the Resident Commissioner, and apply to the Governor for his authority to the Crown solicitor to enforce the demand.

16. The colonial treasurer has been instructed, whenever called upon to make a payment under a power of attorney, to cause such documents to be registered in your office. You will, therefore, in all such cases, note upon the voucher for the payment, that the power of attorney or other sufficient authority in writing has been exhibited to you.

17. You will sign all notes and remarks made by you.

18. It is most important that the accounts of the Store Department should be regularly delivered into your office at the period fixed by the instructions to the storekeepers, and that they should be promptly examined. You will, therefore, make every exertion to prevent any accruing arrear or unnecessary delay in this respect, in order that any disagreements, deficiencies or defalcations may be explained and settled whilst the transactions are fresh in the recollections of all the parties.

19. You will ascertain by a careful comparison with the cash accounts that all stores and provisions purchased and delivered to the storekeeper are duly brought to account by him, and properly disposed of. It will also be your duty in the examination of his accounts to see that all sums due from persons to whom stores or provisions have been delivered or sold, are paid to the treasurer and accounted for by him. If you should observe that such payments are not made within a reasonable time, or if it should appear to you that there has been any remissness or neglect on the part of the officer or department whose duty it was to collect or enforce the payment of these debts, you will call upon such department or officer to explain why the amount has not been recovered. Should the reason given to you not be satisfactory, you will then immediately report the circumstance to the Governor and Resident Commissioner; you will make a note of your proceedings in your certificate at the foot of the storekeeper's accounts, when sent home for final audit.

(No. 4.) Instructions to Auditor-General.

20. You will cause a complete set of all the colonial accounts to be systematically kept in official books in the office of the Accountant-general.

21. The following form of certificate may be used with respect to all accounts which have been examined by you and found correct, and which are to be sent home for final audit:—

> "I certify, That I have carefully examined the foregoing account; that the proper vouchers in support of the several articles therein contained have been exhibited to me; that the account is correct, and that there is a balance due from the accountant amounting to ."

But should you have any exceptions to make, or explanations to offer, you will adapt your certificate to the circumstances of the case.

22. You will require every accountant to make and sign a declaration before you or the Resident Commissioner, to be written at the foot of his account, in the following form:—

> "I, A. B., do solemnly declare, That the above is a true statement of my account, as (here specify the appointment).
>
> "Declared before me this day of ."

23. So soon after the termination of the 31st March, 30th June, 30th September, and 31st December in each year, when a safe opportunity occurs, you are to despatch to England all accounts which may have been examined and passed by you, and are in a fit state for final audit.

24. The accounts and vouchers are to be transmitted in duplicate to the Colonization Commissioners, by whom they will be forwarded to the Commissioners for auditing the Public Accounts.

25. On application to the Resident Commissioner you will be supplied with official books belonging to the Colonization Commissioners, and therein you will regularly keep records of your proceedings. All letters and reports must be consecutively numbered, and such number stated when reference is made to any previous communication.

26. But your duties will not be confined to the examination of the public accounts after the expenditure has been incurred. You will examine and report upon all estimates, claims, accounts or other documents, which may be referred to you by the Governor or Resident Commissioner.

27. All accepted tenders, accounts, receipts and vouchers are to be taken in triplicate; one copy thereof is to be preserved in your office, and the others are to be transmitted to England.

28. Great inconvenience has been experienced from the very imperfect state in which the public accounts of Her Majesty's other colonies in Australia, at their early establishment, were sent home for examination; in consequence of which, repeated references to the colony upon the subject of one single transaction have frequently become unavoidable; all which may be attributed in a great degree to the want of an active supervision of the public expenditure during its progress. It will, therefore, be a further part of your duty to watch the expenditure during its progress, to examine into the mode in which the official books and accounts are kept in the different departments, and the manner in which the business is conducted in both the cash and the store branches, to suggest any alterations which may appear to you to be desirable, to correct any irregularities on the spot, and to see that the entries are so made in the accounts, or accompanied by such explanations, as may render the transactions clear and intelligible.

29. The receipt and expenditure of the Government at the head station might then be subjected to a kind of daily audit, and the accounts rendered in so perfect a state as materially to lessen your own labour in their subsequent examination, and that of the department at home in their final audit.

Given at London, this 23d day of November 1838.

By order of the Board.

(L. S.) (signed) *Rowland Hill*, Secretary.

—(No. 5.)—

(No. 5.) Memorandum.

MEMORANDUM.

By a despatch from the Colonization Commissioners, dated 1st September 1838, (No 52, Land,) Colonel Gawler was authorized to purchase the park lands around Adelaide, without specifying any particular sum. It is known that one of Colonel Gawler's bills, drawn during 1839, amounting to 2,300 *l.*, was appropriated to the purchase of park lands, but there is no information whether this completed the purchase of the whole.

—(No. 6.)—

(No. 6.)
R. Torrens, Esq. to Resident Commissioner in South Australia, 29 October 1838.

(No. 74.—Finance.)

South Australian Colonization Office, Adelphi Terrace,
29 October 1838.

Sir,

I BEG to enclose the copies of two letters from the Colonial Office and the Board of Treasury, on the subject of your application to be furnished with instructions for your guidance, in the event of any unforeseen contingency requiring an immediate supply of funds for the service of your government, beyond the amount which you have received authority to draw upon the Colonization Commissioners.

The commissioners intend to make a further application to Her Majesty's Government upon this important subject, on the grounds that emergencies originating in external causes may call for an extraordinary expenditure, which a colony self-supporting as regards its internal government and ordinary expenditure cannot in equity be required to defray. Some time must elapse, however, before an answer to this renewed application can be received; and in the interval, the commissioners consider it expedient to provide against any adverse contingency, by giving you an extraordinary or emergency credit on the South Australian Company's Bank to the amount of five thousand pounds (5,000 *l.*)

The managers of this bank in the colony will receive, through the directors of the South Australian Company, formal advice upon the subject of the extraordinary or contingency credit hereby confided to you.

The case of destitution in the colony being already provided for in your instructions, the contingencies which the commissioners contemplate in placing this extraordinary credit at your disposal are such as inundation, fire, pestilence, attacks from pirates, incursions of convicts from the other colonies, or seditious risings in the colony itself. The execution of public works, however useful and requisite they may be, can hardly, as the commissioners conceive, become so urgently necessary as to warrant a resort to your emergency credit, and should be deferred until estimates of the expense shall have been sent to this country and returned to the colony approved.

I am, &c.
(signed) *Robert Torrens*,
Chairman of the Commission.

His Excellency Lieut. Geo. Gawler,
Resident Commissioner in South Australia,
&c. &c. &c.

Enclosure 1, in No. 6.

Sir,

Treasury Chambers, 6 September 1838.

THE Lords Commissioners of Her Majesty's Treasury having had under their consideration your letter of the 30th ult. with the correspondence therein enclosed, which has taken place with the Colonization Commissioners for South Australia, in consequence of an application from Colonel Gawler to be furnished with instructions for his guidance in the event of any unforeseen contingency requiring an immediate supply of funds, beyond the amount for which he has received permission to draw on the Commissioners, I have it in command from their Lordships to request you will state to Lord Glenelg, that as my Lords do not apprehend that the South Australian Colonization Commissioners are in any respect precluded from extending the amount of the guarantee to the agents they have appointed in the South Australian Colonies for the negotiation of bills that may be drawn on them by the competent officers in South Australia; and as the provisions of the Act of the last Session of Parliament, relating to South Australia, would enable the commissioners to provide the means of meeting any probable excess for which cases of special emergency may render it necessary that the authorities in the colonies should draw, beyond the amount of their ordinary credit, it does not appear to my Lords to be requisite that the governor of South Australia should be furnished with the authority to draw on their Board, which the commissioners have proposed.

Encl. 1, in No. 6.

I am, &c.
(signed) *A. Y. Spearman.*

James Stephen, Esq.
&c. &c. &c.

Enclosure 2, in No. 6.

Gentlemen,

Downing-street, 13 September 1838.

I AM directed by Lord Glenelg to acknowledge the receipt of your letter of the 17th ult. on the subject of Colonel Gawler's application to be furnished with instructions for his guidance, in the event of any unforeseen contingency requiring an immediate supply of funds for the service of his government, beyond the amount for which he has received permission to draw upon you; and I am to transmit for your information and guidance the copy of a letter from the Board of Treasury on this subject.

Encl. 2, in No. 6.

6 Sept. 1838.

I am, &c.
(signed) *Jas. Stephen.*

The Colonization Commissioners
for South Australia.

(No. 7.)
Colonel Gawler to Secretary of the Colonization Commissioners, 26 October 1838.

—(No. 7.)—

(No. 7.—Miscellaneous.)

EXTRACT of a DESPATCH from his Excellency Colonel *Gawler* to the Secretary of the Colonization Commissioners, dated *Adelaide*, 26 October 1838.

UPON some points I must, in the strongest manner, solicit the commissioners' most indulgent consideration; in them I am about to incur the heaviest responsibilities, but from which I could not shrink without endangering the finest prospects of this most beautiful colony, and without shrinking from my duty to the Colonization Commissioners.

I find the establishment of public officers in this colony much beyond the authorized establishment furnished to me in England. I am persuaded that, with the consent of the Council, I must not only keep, but probably increase the existing establishment. The population, trade, commerce, and sales of land, are much greater than was anticipated in England, and the work for public servants is increased in the same proportion. I am assured that the population of Adelaide and its neighbourhood is between 4,000 and 5,000. In the course of the last three months nearly 10,000 acres have been sold in the colony. Cattle stations are extended to a distance of 35 miles eastward from Adelaide, and the coasting trade with the eastern Australian colonies is very active. The establishment of surveyors is altogether unequal to the demand for land; 21,000 acres of preliminary purchases remain unsurveyed, and of course the great mass of subsequent purchasers unprovided for: great disappointment has been experienced on this subject. It is my intention, with the consent of the Council, to put on every surveyor that I can procure, until the survey comes up or nearly up to the demand.

The profits of capitalists are great; provisions, wages, and house-rent are very high; all prosper but the servants of government. To retain them in their places, it will be absolutely necessary to increase their salaries, at least of the junior classes, to something like a proportionate scale to those of private offices.

My instructions permit me to draw on England to the amount of 10,000*l.* per annum; within this year (1838) upwards of 12,000*l.* has been already drawn, the third quarter's salaries are still due, the treasury is absolutely empty, and public debts to a considerable amount have been incurred; urgent demands are made for payment, and the credit of government is therefore injuriously low. The colony itself is most flourishing; I have great confidence that a proportionably large revenue may be raised from it, and that in many things public expenditure may be reduced. Care and exertion shall not be spared on my part to accomplish these objects; but until they are attained I must surpass my instructions, and look to England for considerable unauthorized pecuniary assistance. I trust that in this circumstance in particular the commissioners will favourably consider my very trying and difficult situation. It was, I hope it may be testified of me, always my practice to obey orders and instructions with conscientious precision; it will be so again as soon as it can be done with faithfulness to my charge; but placed as I am, in circumstances unforeseen at home, with the breadth of the world between the colony and its only point of reference, and with a rapidly inflowing population, the current of which hesitation would check and turn off to other colonies, I am, I conceive, in duty bound to incur all necessary responsibility, and with the advice of the Council to act according to the emergency.

The capabilities and advantages of the colony come up fully to my expectations; most extensive districts of the richest soil extend to the northward, eastward, and in large vallies to the southward of Adelaide. Port Adelaide is a secure and commodious harbour for ships of 400 tons, and these are large enough for every commercial purpose. Naval men agree, that to render it unobjectionable for vessels of this burthen, nothing is required but a steam tug.

The climate and country are beautiful, the latter fully resembling an English park; the trees beautifully grouped, very large, and free from brushwood. With liberal and judicious management, the colony must, under God's blessing, prosper as none other has ever prospered before it.

—(No. 8.)—

(No. 8.)
Colonel Gawler to Secretary of the Colonization Commissioners, 27 October 1838.

(No. 8.—Finance.)

EXTRACT of a DESPATCH from Colonel *Gawler* to the Secretary of the Colonization Commissioners, dated *Adelaide*, 27 October 1838.

I BEG the commissioners to be assured that I do not forget the self-supporting principles of the colony, and that I will use my utmost endeavours to carry them out. I of course am not blameable for the difficulties in which I find the colony. If the commissioners will support me fairly through them, and encourage, by broad and liberal measures, the present extraordinary inflowing tide of population and capital (I at least have good grounds for trusting in their public spirit and zeal for the great work they have undertaken that they will do so), there appears to me to be very strong grounds for confidence that the self-supporting principle, with all its advantages, will be fully carried out.

The expenses of the survey are a heavy drain upon the expenditure of the colony; it appears to me that they are fairly chargeable to the Immigration Fund, and that purchasers generally would be most willing to give more for land, in order to obtain it without delay, if an encouragement of this kind were correct and feasible.

— (No. 9.) —

(No. 43.—Miscellaneous.)

(No. 9.) Secretary of the Colonization Commissioners to the Resident Commissioner, 31 May 1839.

EXTRACT of a DESPATCH from the Secretary of the Colonization Commissioners for *South Australia* to the Resident Commissioner, dated 31 May 1839.

In despatch No. 7, Miscellaneous, you refer to the more important subjects which have occupied your attention since your arrival in the colony; as certain official appointments, and the state of the surveys, &c. You speak of the peculiar difficulties under which you are placed, and call upon the commissioners for aid and support.

In reply, I am directed to assure you that the commissioners will do everything in their power to sustain your proper and necessary authority; that, so far as their information enables them to judge, they fully approve of the steps you have hitherto taken, and that you may safely rely on their efficient co-operation in all measures calculated to promote the welfare of the colony.

The commissioners have referred to the several letters of instructions which you carried out, and to those which have been subsequently forwarded to you. These instructions appear to the commissioners to be well calculated for the circumstances of the colony, and they recommend them for your careful and frequent perusal. You will observe that, while certain rules are laid down for your guidance, you are authorized to deviate from them under peculiar circumstances, and on certain conditions, one of the most important of which is, that the grounds for such deviation shall be placed fully and without delay before the Board.

Indeed, it is of great importance that the commissioners should at all times be kept fully acquainted with your proceedings, and with the state of the colony; and this is more especially important whenever the circumstances of the colony are such as to require the exercise of extraordinary powers on your part.

These remarks arise out of the circumstance (probably accidental), that although your despatches do not come down to a later date than the 27th of October, letters and papers have reached London through the usual channels of as late a date as the 8th December, and *viâ* Calcutta as late as the 4th January.

— (No. 10.) —

(No. 46.—Finance.)

(No. 10.) Secretary of the Colonization Commissioners to the Resident Commissioner, 31 May 1839.

EXTRACT of a DESPATCH from the Secretary of the Colonization Commissioners for *South Australia* to the Resident Commissioner, dated 31 May 1839.

In your despatches Nos. 8 and 9, Finance, you state that you found, on your arrival in the colony, that the 12,000 *l.* provided for the colonial expenditure of 1838 had been exhausted; that the sum of 1,400 *l.* was required for salaries due 1st October, and the further sum of 500 *l.* for other expenses, and that you felt yourself called upon to draw bills for these sums, in virtue of the extraordinary authority which had been given you to deviate from your instructions on your own responsibility in cases of extraordinary emergency.

The commissioners fully approve of the course you have adopted, and have directed their treasurer to accept the bills in question.

— (No. 11.) —

(No. 10.—Finance.)

(No. 11.) Colonel Gawler to Secretary of the Colonization Commissioners, 5 Dec. 1838.

EXTRACT of a DESPATCH from Colonel *Gawler* to the Secretary of the Colonization Commissioners, dated *Adelaide*, 5 December 1838.

I SINCERELY wish that it were in my power to wait for authority from the commissioners for the liquidation of these debts *, and for other unauthorized expenditure into which I may be led. I beg to assure them that, in this and similar cases, I am acting with great caution, and am only expending money in the manner and to the extent I am persuaded they would approve of if they were here. While wages, rents, and provisions are high, money is very scarce; and it is most seriously injurious to master tradesmen and master workmen to have the payment of their bills delayed. Government credit is very low in consequence, and Government contracts proportionably high.

* * * * * * *

I shall use my utmost endeavours to send detailed statements of all the accounts of the colony, with my half-yearly report, in January next. At present, anything approaching to such regularity is impracticable. The accounts, both of public monies and stores, are in great confusion. Until system is introduced into the different public departments, I entreat the forbearing consideration of the commissioners with regard to any irregularities or neglects of which I may appear to be guilty. I assure them that I am labouring earnestly to establish method and order, of which there hitherto have been very little.

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* Referring to certain bills for payment of outstanding claims which he had advised.

(No. 12.) Colonel Gawler to Secretary of the Colonization Commissioners, 2 February 1839.

— (No. 12.) —

(No. 8.—Finance.)

EXTRACT of a DESPATCH from Colonel *Gawler* to the Secretary of the Colonization Commissioners, dated *Adelaide*, 2d February 1839.

THE state of the finances and the financial system, the deficiency of system in every public department, the inadequacy of the sum allowed for quarterly expenditure, the impossibility of complying with many of the commissioners' most prominent instructions, are most deeply harassing to my feelings. I am fully aware that such things, viewed from England at a distance of 16,000 miles, and standing in conjunction with the most unprincipled and disingenuous, though plausible misrepresentations of a troop of persons in this colony, of which the Southern Australian newspaper is the principal organ,—I am fully aware that such things are calculated in the highest degree to make the commissioners doubt if I am not betraying the great trust they have reposed in me.

With the explanations that I as yet have been able to give them, it is not possible that they should be able to form adequate ideas of the difficulties with which I am surrounded. I trust they will remember that little more than three months have elapsed since I arrived in the colony. Hitherto I have felt it to be my duty to devote my time and attention rather to meet the crisis of affairs at which I see the colony to be arriving, than to spend it in writing lengthy explanations, however necessary and proper, under ordinary circumstances, such explanations might be. When those explanations can be sent, I trust that it will be proved to the satisfaction of the commissioners that every step I have taken has been founded in prudent, faithful, and deliberate considerations.

I hope to obtain from Mr. Gilles before the mail is closed which conveys this letter, a statement in detail, to the 31st January, of the receipts and expenditure since my arrival in the colony.

A new publicans' licence Act will be passed, I hope, in the course of next week. On the subject of taxes on imports I am in considerable difficulty. On the one hand the leading commercial colonists urge the expediency of a system of general *ad valorem* duties; while on the other, I am bound to consider with the deepest respect the instructions I have received, to assimilate if possible the duties to be levied in South Australia with those of the neighbouring colonies.

— (No. 13.) —

(No. 64.—Miscellaneous.)

(No. 13.) Secretary of the Colonization Commissioners to Colonel Gawler, 2 August 1839.

EXTRACT of a DESPATCH from the Secretary of the Colonization Commissioners for *South Australia* to Colonel *Gawler*, dated 2d August 1839.

WITH reference to the general tenor of your recent despatches, the commissioners direct me to assure you, that it is their wish, by every means in their power, to support and strengthen your authority, and to treat with the most favourable consideration such deviations from your instructions, as in your own discretion, and on your own responsibility, you may think it your duty to make. In order, however, that they may be justified to the public, to Her Majesty's Government, and to themselves in so doing, they are earnestly desirous of impressing upon you the absolute necessity on your part of promptly supplying them at all times with full and accurate information on the several points enumerated in your instructions, and more especially of a rigid observance of the instructions contained in the letter of the 25th of May 1838. Despatch, No. 26. *

It is scarcely possible to exaggerate the importance of an undeviating compliance with these instructions. Information of all sorts reaches this country through private channels; reports, frequently untrue and injurious to the character of the colony, and reflecting on the conduct of the colonial government, appear in the public papers; and the commissioners, not possessing at the time information on which they can rely, are unable to contradict them until the time for so doing has passed away.

The commissioners are aware that your time is much occupied, that you want the necessary conveniences for the ready dispatch of business, and that at least some of the subordinate officers are in arrears with their accounts and reports, and under these circumstances they would not urge upon you the observance of their instructions in this particular, if they did not consider such observance so important to the progress of the colony that not to urge it would be a dereliction of duty on their part.

With reference to the neglect of certain of the subordinate officers, the commissioners request your attention to the following paragraph in despatch, No. 21, of last year.

The commissioners having given you authority over the several officers of the colony will consider you responsible for their conduct, and will expect you to require on the part of

* These were instructions on the subject of Correspondence and Reports, and are printed in the Appendix to the Third Annual Report, p. 42.

of all a careful and punctual discharge of their duties, and a rigid observance of the instructions laid down. And they desire me to add, that viewing the punctual preparation of the necessary reports as one of the most important duties each officer has to perform, they cannot but consider neglect in this respect, after due notice, as an offence calling for suspension or removal. Although, however, the commissioners have expressed their opinion thus freely, they wish to leave the decision in such cases in your hands.

(No. 13.) Secretary of the Colonization Commissioners to Colonel Gawler, 2 August 1839.

As the commissioners feel themselves bound to require undeviating punctuality in the important matters now under consideration, they are the more anxious to reduce the labour to yourself as far as practicable; they therefore direct me to say, that as your despatches to the Colonial-office are always laid before their Board, it is unnecessary that you should trouble yourself to write directly to them on any matters connected with your duties as Governor. With the same view, they request your attention to that part of despatch, No. 26, of last year, which expresses an opinion, "that your correspondence should, as far as possible, consist of reports and other documents prepared and attested by the subordinate officers, and merely transmitted by yourself;" and to the means named in the last paragraph of the same letter, for securing punctuality on the part of such officers.

— (No. 14.) —

(No. 67.—Finance.)

EXTRACT of a LETTER from the Secretary of the Colonization Commissioners to Colonel *Gawler*, dated 2d August 1839.

(No. 14.) Secretary of the Colonization Commissioners to Colonel Gawler, 2 August 1839.

1. IN your recent financial despatches you speak of having discharged outstanding claims to a large amount (apparently about 6,000 *l.*) which had arisen previously to your arrival in the colony, and you express a hope that the commissioners will consider that you acted rightly in discharging these claims without waiting to refer them to their Board.

2. The commissioners at once admit the importance of sustaining the credit of the Colonial Government, and that the course adopted was in all probability, under the circumstances, proper and necessary; but you will on reflection see that it is impossible for them to express any decided opinion on the subject until they are furnished with a full account of the claims which have been discharged. It is unnecessary to say that it would have been more satisfactory to the Board had such accounts been supplied in the first instance; but they do not doubt they will shortly come to hand, when they will of course be taken into consideration.

— (No. 15.) —

(No. 41.—Finance.)

EXTRACT of a DESPATCH from Colonel *Gawler* to the Secretary of the Colonization Commissioners of *South Australia*, dated *Adelaide*, 8 April 1839.

(No. 15.) Colonel Gawler to Secretary of the Colonization Commissioners, 8 April 1839.

I AM deeply anxious that in the workings of this branch (Finance) of the colonial administration, above all others, everything should be clear and regular. I have directed and will direct my attention unremittingly towards it, and assure the commissioners that to the utmost of my power their instructions, of which I have just received the new form, shall be complied with. Nevertheless, I would urge with the deepest respect, that their orders are rather perfect regulations for a perfectly formed colony than broad directions for a settlement which has but just sprung into existence, and of which the affairs have until lately been in a state of great confusion, without system and without regular records.

There are not at this time in the colony men who can carry a regular system of government into effect. For the present public officers in general I have sincere respect and regard; but to this it must be added, that many of them, among others the colonial treasurer and storekeeper, are altogether unacquainted with the principles of official routine and regularity.

It is with the greatest difficulty, and only after long and tedious delays, that I can procure from them the most common returns.

The same difficulty in procuring returns I experience from the harbour-master and acting collector of customs, who nevertheless is one of the most zealous, and, in his department as harbour-master, intelligent men in the colony.

Under the present excitable and unofficial spirit which prevails almost universally, acting upon the regulation of stopping salaries until returns are regularly rendered, would in reasonable probability be followed by the resignation of many public officers for whom there are not substitutes in the colony.

It would have been a very great relief and assistance to me to have filled up the office of assistant commissioner; but, with the exception of one or two persons who cannot for the present be spared from other official employments, there is not an individual to whom I could confide it.

(No. 15.) Colonel Gawler to Secretary of the Colonization Commissioners, 8 April 1839.

One very great cause of the negligence and irregularity which has prevailed in the transaction of official duties is the utter inadequacy of the salaries of public officers to their expenses. Soon after my arrival in the colony, some of these gentlemen intimated to me directly their intention of resigning unless their salaries were raised; others did so indirectly. These two classes included some of the most able and active men in the public service; an extensive body remained of those who, on principle, gave up a large proportion of time to their private pursuits, under the plea that the insufficiency of their salaries rendered such a course absolutely necessary for their existence. It became therefore imperatively requisite, as a first step towards order in the despatch of public business, to raise the salaries of a large proportion of them. I have done so, commencing from the 1st of January 1839.

The salaries of the principal officers have generally been left as they were, for the consideration of the commissioners. Most of them have private means of support, and from principles of honour and zeal for the colony will probably continue in their stations at least until their circumstances have been reported to England.

It has been, however, absolutely necessary to give those who were appointed *pro tempore* the full pay of their respective ranks.

Regarding the junior officers, I can affirm with confidence, that there is not one of them overpaid; and that, according to the rate of expenses in the colony, they have barely the means of decent subsistence.

I enclose, for the information of the commissioners, the proceedings of a Board which I ordered in reference to this subject.

I have also been compelled, as the commissioners will perceive by the returns, to increase the numbers of the public functionaries. This measure has been rendered absolutely necessary, among other reasons, by the work of bringing up the heavy arrears of business in every department; and the increase of the colony in population and extent will make it impossible, even when these arrears are brought up, to diminish the establishment.

In acting on my own responsibility in these and similar cases, I do not overlook or undervalue my instructions. I trust, as in a former letter I ventured to observe, that those under whom I had the honour of serving in trying circumstances for long periods of time, would testify that it was not my practice to rush recklessly into unnecessary responsibility. In my present situation, there is only the alternative between destroying the most brilliant prospect of colonization that was ever presented to the world (such is my conscientious opinion of it), or of acting decidedly and promptly on my own judgment, according to the extraordinary circumstances with which I am surrounded. I prefer infinitely the latter. I trust to the very deep anxiety which I am persuaded the commissioners feel for the success of the work with which they are charged, and to the spirit of confidence with which they have treated me, to justify my conduct among themselves, and to lead them to plead in its justification before Her Majesty's ministers.

I can boldly say, that looking to their own instructions, the cases in which I depart from those instructions "are cases of the most pressing emergency, when the previous authority of the commissioners cannot be obtained without serious injury to the public service." —"Instructions to the Resident Commissioner, Art. 9, 9 Nov. 1838."

In drawing bills, the only occasions in which I prefer to negotiate them through other channels than that of the South Australian Company are those in which higher rates of premium can be procured than the company offer.

It is difficult to comply with the regulation which requires the object of expenditure to be described with the bill. Private individuals require sums with which the items of expenditure will not coincide with anything like precision, and without something near to precision it is an unmeaning form. Current expenses cannot, in our present irregular state, be precisely calculated, and yet such are the circumstances of the colony that they must be met. To this I would further add, that in connexion with the prying, unjust, and excitable spirit which prevails among some few of the persons by whom I am surrounded, the frequent publication of the amounts of detached portions of the expenditure is calculated to give food for political agitation. I have not the slightest desire for concealment with regard to the accounts,—will publish quarterly abstracts of them in the Gazette, and will most carefully forward quarterly details of them to the commissioners. It is only to the exhibition of them in portions that I have a strong objection, and would submit it for the consideration of the commissioners whether the requirement may not be rescinded.

I assure them that I will not enter into expenditures of any extraordinary character without immediately communicating the causes and objects to them; neither will I allow of any long outstanding claims.

It would have been of great assistance and satisfaction to me to have had an auditor-general.

* * * * * * *

As soon as I can discover a person qualified, he shall be appointed for the year 1839. The commission of inquiry will probably effect all that can be done towards auditing the public accounts for the year 1838.

The colonial revenue is not what it might be made, but it has not been possible hitherto to remedy the deficiency. The heavy pressure of complicated business, the want of proper men, the very delicate nature of legislative enactments, and the most deplorable character of our office accommodations, combine to retard the progress of legislation. A registration bill is in progress, and will soon be laid before the Council. I assure the commissioners that I have no reluctance to press to the uttermost my duties with regard to revenue, nor have I observed a symptom of it in the Council.

My former statement of the want of money in the province generally, must not be considered

(No. 15.) Colonel Gawler to Secretary of the Colonization Commissioners, 8 April 1839.

sidered to be disproved by the circumstance that large sums have been expended in special surveys. I have carefully inquired into them, and find that, disregarding the land orders, fully nine out of the eleven are the property of the South Australian Company, of Mr. George Stephen, or of persons who came out with or subsequently to myself; a fact which, taken in connexion with the intense desire that has prevailed to obtain special surveys, establishes the correctness of the assertion of the scarcity of money which prevailed on my arrival, and still prevails among the mass of settlers. As I observed in a former letter, hitherto the money of the province has flowed out almost as fast for supplies as it has been brought in by immigration.

I freely confess that, while looking with most confident expectation to the prosperous progress of the colony, I am distressed at the state and prospects of its financial affairs; for this reason, however, only, that I cannot close my eyes to the fact that they menace the self-supporting system which the commissioners, and I, as their delegate, am pledged, if it be possible, to carry out.

Of my duty with regard to it, I assure the commissioners I never lose sight; but still that duty can only be performed with a due regard to those arrangements which are essential to good government and to common justice in the remuneration of public men.

It has been found absolutely necessary to increase the police force beyond the number authorized in Lord Glenelg's letter of the 18th May 1838.

The duties in Adelaide are considerable. The temporary building used as a gaol requires, when many prisoners are in it, four sentinels to prevent them from escaping. Before this precaution was adopted escapes were very frequent. I need scarcely observe, that four perpetual sentinels require an increase in the establishment of 10 or 12 men at the least. In the army, three non-commissioned officers and 36 soldiers would be appropriated for such a duty. Port Adelaide and Encounter Bay, which were not calculated in the estimate presented before I left England, require separate bodies of police.

The strength actually on the returns at present is, one superintendent, two inspectors, three serjeants, 47 police constables, eight horses.

Mr. Inman, the superintendent, is a son of Dr. Inman of Portsmouth, and is well qualified for the office.

The distance of Adelaide from its ports is a great increase of expense to every department.

The survey system in its ordinary course is peculiarly expensive, from the circumstances that the land is surveyed before it is chosen, and that it is divided into portions much smaller than purchasers in general require.

Large tracts of surveyed land remain unappropriated, and the trouble of marking out small sections is almost as great as that of marking out large ones. In special surveys, in which the land is chosen before it is surveyed, and in which the work of the government surveyor is confined principally to large blocks of land, the comparative expense will be very much smaller.

Enclosure in No. 15.

Encl. in No. 15.

REPORT of the Board appointed by His Excellency the Governor to ascertain the prices of the necessaries of life in the province (including servants' wages, food, clothing, and house-rent), with reference to a revision of the salaries at present paid to the various public officers and clerks, and for reporting to his Excellency what amount of salary they would recommend to be allowed by the Government to each public servant.

The Board of public officers, viz. the Honourable the Colonial Secretary, the Clerk of the Council, the Colonial Chaplain, and the Superintendent of Police, assembled at the Colonial Secretary's office on Tuesday, 11th December 1838, and having inspected sundry tradesmen's bills, and carefully ascertained from heads of families the prices ordinarily charged for the necessaries of life in Adelaide, have the honour to report, that the annexed list, marked (A.), is an accurate average scale of those prices.

The Board further report, that the annexed paper, marked (B.), is an estimate of the annual expenditure of a single gentleman, with one servant, prepared by the Board with a strict regard to economy and good management. As that expenditure, without one luxury allowed, so far exceeds the amount even of the higher salaries, the Board have not thought it necessary to estimate the greater expenses of men with families.

The paper annexed, marked (C.), is a list prepared by the Board of the salaries at present paid to the various public officers and clerks, with the increased amount of salaries respectfully recommended to be allowed them, and which the Board propose, from a consideration of the extent of duties performed, or the amount of responsibility incurred by each public officer; and also, in the cases of clerks, the degree of trust necessarily confided to them.

It need scarcely be remarked by the Board, that they have merely mentioned their own respective salaries, and have abstained from commenting upon the salary annexed to the high office of his Excellency.

In concluding their report, the Board have respectfully to urge upon his Excellency the Governor and Resident Commissioner the expediency of immediately raising the salaries of the inferior officers, either partially or to the full extent recommended, as the Board conscientiously believe that many of them are at this moment in debt, in consequence of the very

(No. 15.) Colonel Gawler to Secretary of the Colonization Commissioners, 8 April 1839.

very low salaries hitherto received by them; and that several gentlemen, who have made themselves proficient in their departments, will be driven to seek other employment, unless a considerable but reasonable addition be made to their official incomes.

The Board have also to submit for his Excellency's consideration, that, at the termination of this the second year of the establishment of this province, the expenses of life are shown to be exorbitantly high, and far beyond what the Colonization Commissioners anticipated would have been the rate, even upon the first landing of emigrants, with little or no prospect of the prices of bread, labour, and house-rent being lower for a considerable space of time. The Board, therefore, in justice to the public officers, humbly point out to the Government that, unless the salaries of officers are very speedily raised to a proper standard, many valuable public servants (who have toiled in their offices, and neglected their private interests in attending to public duties) may be compelled, by the natural increase of family expenses, if not by growing pecuniary difficulties, to quit the public service before the expected period may arrive when the Home Government shall be pleased to assign to them salaries more commensurate with the extent of the duties and responsibility of their offices.

Adelaide, South Australia,
15 December 1838.

(signed) *G. M. Stephen*, Colonial Secretary.
George Hall, Clerk of Council.
Charles B. Howard, Colonial Chaplain.
Henry Inman, Superintendent of Police.

(A.)

HOUSE EXPENSES.—RETAIL PRICES.

		£.	s.	d.
Meat.				
Beef	per lb.	–	1	1
Mutton	—	–	1	1
Lamb	—	–	1	3
Veal	—	–	1	6
Pork	—	–	1	3
Fowls	per couple	–	12	–
Provisions.				
Bread	per lb.	–	–	4½
Flour	—	–	–	4
Rice	—	–	–	5
Salt pork	—	–	–	9
Salt beef	—	–	–	8
Tea	—	–	4	–
Salt butter	—	–	2	6
Fresh butter	—	–	3	6
Salt	—	–	–	3
Black Pepper	—	–	2	–
White Pepper	—	–	4	–
Vinegar	per gallon	–	5	6
Cabbages	each	–	–	4
Carrots	—	–	–	1
Onions	a bunch	–	–	3
Mustard	per lb.	–	6	–
Eggs	per dozen	–	4	–
Beer	per quart	–	1	6
London porter	—	–	2	0
Bottled ditto	—	–	3	–
Wine	per bottle	–	6	–
Milk	per quart	–	–	8
Brown sugar	per lb.	–	–	6
White sugar	—	–	1	3
Coffee	—	–	2	–
Cocoa	—	–	1	–
Common biscuit	—	–	–	4

		£.	s.	d.
Necessaries.				
Yellow soap	per lb.	–	–	6½
Windsor ditto	—	–	3	6
Mould candles	—	–	1	6
Spermaceti ditto	—	–	4	–
Oil	per gallon	–	6	–
Wood	per load	–	8	–
Water	per 90 gallons	–	4	–
Starch	per lb.	–	2	6
Clothing.				
Hats	each	1	10	–
Frock coats	—	7	7	–
Dress coats	—	6	6	–
Trousers	per pair	2	15	–
Boots	—	2	2	–
Shoes	—	–	15	–
Waistcoats	each	1	10	–
Price of Labour.				
Washerwomen	per day	–	8	–
Female servants	per year	18	–	–
Man servant	—	45	–	–
Ditto	per week	2	2	–
Mechanics	per day	–	12	–
Labourers	—	–	6	–
Washing	per dozen	–	6	–
House Rent, per Annum.				
A house with two rooms and a kitchen		50	–	–
Larger houses,	from 60*l.* to	150	–	–

(No. 15.)
Colonel Gawler to Secretary of the Colonization Commissioners, 8 April 1839.

(B.)

EXPENSES for a Single Gentleman and Servant, in *South Australia.*

	£.	s.	d.
15 lbs. fresh meat, at 1 *s.*	–	15	–
14 lbs. of bread, at 4 ½ *d.*	–	5	3
7 pints of milk, at 4 *d.*	–	2	4
Vegetables for one week	–	7	–
Wine and beer	1	1	–
Minor groceries	–	7	–
½ lb. of tea	–	2	–
1 lb. of loaf sugar, at 1 *s.* 3 *d.*; 2 lbs. of moist, at 1 *s.*	–	2	3
¾ lb. of fresh butter, at 3 *s.* 6 *d.*	–	2	7 ½
1 lb. of salt ditto, at 2 *s.* 6 *d.*	–	2	6
1 ½ lbs. of soap, at 7 *d.*	–	1	9
2 lbs. of candles, at 1 *s.* 6 *d.*; 1 lb., at 4 *s.*	–	7	–
1 ½ load of wood, at 8 *s.*	–	12	–
1 ½ ditto of water, at 4 *s.*	–	6	–
Washing, 3 ½ dozen, at 5 *s.*	–	17	6
Per week £.	5	11	2 ½
Per annum	289	2	10
House rent	60	–	–
Man servant's wages	45	–	–
Master's clothes, with economy	50	–	–
£.	444	2	10

(C.)

SALARIES of Officers, &c.

	PRESENT SALARY. £.	s.	d.	PROPOSED SALARY. £.	s.	d.
Governor	800	–	–			
Judge	500	–	–	800	–	–
Colonial Secretary	400	–	–			
Advocate General and Crown Solicitor	300	–	–	500	–	–
Registrar General	200	–	–	350	–	–
Clerk of Council and Private Secretary	200	–	–			
Colonial Chaplain	250	–	–			
Colonial Treasurer, &c.	300	–	–	500	–	
Collector of Customs and Harbour Master	200	–	–	500	–	–
Emigration Agent	250	–	–	300	–	–
Colonial Surgeon	100	–	–	300	–	–
Resident Magistrate	100	–	–	300	–	–
Protector of Aborigines	250	–	–	400	–	–
Sheriff	100	–	–	300	–	–
Superintendent of Police	200	–	–			
Assistant Commissioner	200	–	–	400	–	–
Surveyor General	400	–	–	600	–	–
Deputy Surveyor General	–	–	–	300	–	–
Assistant Surveyors, with rations, tents, and labourers	from 150	–	–	to 200	–	–
Postmaster-general	30	–	–	250	–	–
Colonial Storekeeper	100	–	–	300	–	–
Collector of Customs and Postmaster (Kangaroo Island)	100	–	–	200	–	–

(No. 15.) Colonel Gawler to Secretary of the Colonization Commissioners, 8 April 1839.

	PRESENT SALARY.	PROPOSED SALARY.
	£. s. d.	£. s. d.
Chief Clerk, Colonial Secretary's Office - -	80 – –	200 – – increasing 20 *l.* a year until it arrives at 300 *l.*
Second Clerk - - - ditto - - - - -	100 – –	£. 120 ditto £. 200
Private Secretary's Clerk - - - - - -	80 – –	120 ditto 200
Copyist to Clerk of Council - - - - -	- - -	100 ditto 150
Chief Clerk in Colonial Treasury - - - -	60 – –	150 ditto 250
Second Clerk - ditto - - - - - -	100 – –	100 ditto 150
Clerk to Accountant General - - - - -	100 – –	150 ditto 250
Chief Clerk, Customs - - - - - - -	104 – –	150 ditto 250
Second Clerk - ditto - - - - - - -	104 – –	120 ditto 150
Bonding Storekeeper, Adelaide - - - -	100 – –	150 ditto 250
Tide-waiter and Bonding Storekeeper, Port Adelaide	104 – –	150 ditto 250
Deputy Colonial Storekeeper - - - -	60 – – and rations.	120 ditto 200
Clerk of the Peace, Resident Magistrate's Court -	80 – –	150 ditto 200
Clerk, Resident Magistrate's Court, Civil side -	80 – –	150 – – increasing 20 *l.* a year until it arrives at 200 *l.*
Chief Clerk, Supreme Court - - - - -	- - -	£. 200 ditto £. 300
Interpreter to Protector of Aborigines - - -	78 – – with rations.	
Deputy Inspector of Police - - - - - -	125 – –	200 ditto 300
Ditto - - - - - - - - - - -	150 – –	200 ditto 300
Clerk to the Magistrate - - - - - -	- - -	150 ditto 200
Chief Clerk to Assistant Commissioner - -	80 – –	150 ditto 250
Second Clerk - - ditto - - - - - -	80 – –	100 ditto 150
Advocate General's Clerk - - - - -	80 – –	150 ditto 200
Gaoler - - - - - - - - - -	91 – – with rations.	200 ditto 300

All other clerks according to circumstances.

— (No. 16.) —

(No. 16.) Assistant Secretary of Colonization Commissioners to Colonel Gawler, 15 Nov. 1839.

EXTRACT of a DESPATCH from the Assistant Secretary of the Colonization Commissioners for *South Australia* to Colonel *Gawler*, dated 15 November 1839.

(No. 93.—Finance.)

3. YOUR despatch, (No. 14,) encloses schedules of the various salaries due for the quarter ending 31 March 1839, together with the report of a Board appointed to inquire into and ascertain the cost of the necessaries of life, with a view to a revision of the salaries; also a list of salaries, showing the amount of increase recommended by the Board of Inquiry; and in remarking upon the inadequacy of the remuneration to public officers, it states that it had been found necessary both to increase the number of the public functionaries, and to raise the salaries of many of the subordinate officers. The same despatch alludes to the non-completion of the treasurer's accounts, and to the difficulty of obtaining returns from the heads of the various offices, also to the impossibility of invariably complying with the regulation requiring the object of expenditure to be stated in the letters of advice. It likewise gives your reasons for not appointing Mr. Tod auditor-general, and states the necessity which existed for increasing the police force.

4. The commissioners are fully aware that none of the public officers in South Australia are overpaid, and they have now under consideration the proposed increased scale of salaries; but in the absence of the treasurer's accounts, or of any statement showing the amount of revenue raised in the colony, even up to the end of December last, they find it exceedingly difficult to proceed with any confidence in the consideration of this important subject.

5. In a colony which is self-supporting, there exists no other legitimate means of increasing the salaries of public officers than what are afforded by an increasing revenue, and it is the intention of the Board to take this as their guide in from time to time regulating the augmentation of the salaries of the various public functionaries; but from any arrangements to which they may give their sanction, the commissioners will feel bound to exclude the colonial treasurer, until such time as his accounts are brought into a proper state

state. Not the least inconvenience arising from the neglect of that officer, is the inability of the commissioners to check satisfactorily the accounts of monies received in the colony, which have been from time to time rendered by the South Australian Company.

(No. 16.) Assistant Secretary to Colonization Commissioners to Col. Gawler, 15 Nov. 1839.

6. The commissioners were not altogether unprepared to hear that some increase in the number of public functionaries had become necessary.

7. With reference to the difficulty of obtaining returns from the heads of the various offices, the commissioners beg to refer you to the 7th clause of their despatch of this year, "No. 64, Miscellaneous."

Under the circumstances stated by you, the commissioners forbear to press for the invariable insertion in the letters of advice of the object of expenditure; but they trust that when practicable, this regulation will still be attended to.

— (No. 17.) —

(No. 15.—Finance.)

(No. 17.) Colonel Gawler to Rowland Hill, Esq. 8 April 1839.

Sir, Adelaide, 8 April 1839.

SINCE my arrival in this colony, two subjects involving considerable extraordinary expenditure have been primarily forced upon my attention, the necessity for erecting a Government-house and public offices.

The accommodations and condition of my present habitation are truly miserable. On these points I request the commissioners to read the minutes of the Council of the 29th October 1838.

No. 1. (Omitted as unnecessary. The Commissioners approved the measure proposed.)

The public offices that have been built, or are now rented, at the public expense, are few in number, very inconvenient in accommodations, and scattered over a large extent of ground. The land and survey offices that were destroyed by fire on the 22d of January 1839, were the best of the number. Owing to the rapidity with which the population is increasing, and to the peculiar workings of our land and emigration system, the public business of the province is very great. It is, I need scarcely say, of the utmost importance to introduce regularity into the transaction of it, and yet it is impossible to do so with our present accommodations. Under such circumstances, after long and anxious consideration on my part, the question reduced itself not to whether a Government-house and public offices should be built or not, but to what was the manner in which they could be erected to the best advantage at the least expense. On these points I endeavoured at first to get the formal and written opinions of influential colonists, as the accompanying report will exhibit, but could not succeed. The excitement of private interests is so great that private individuals who will willingly give their time and attention to public objects are not to be found. It is with the greatest difficulty that public inquiries of the most ordinary kind are got up and prosecuted. From private conversations, I have reason to believe that the colonists in general are desirous that a Government-house and public offices should be built, and that it would be considered highly disadvantageous if they were built on temporary plans with temporary materials.

No. 2. (Omitted, as not deemed material.)

In me personally it was a matter of indifference whether the buildings were of a temporary or permanent character; but for the colony it is, I conceive, very important that large sums should not be expended upon edifices which would soon require to be replaced. It would have given me great satisfaction to have submitted these considerations to the commissioners for their approval, but in the state, progress and prospects of the colony, it is truly impossible in cases like those at issue to delay for a twelvemonth without adopting a decided course. I have therefore, with the consent of Council, decided on proceeding with about two-thirds of the building fully required for a permanent house, and with about one-half of that fully necessary for public offices. I have also ordered to be omitted several appendages to the permanent house, such as verandahs or screens for the windows, which, though they are in this climate almost essential to reasonable comfort, may be dispensed with. I am not aware of a single arrangement in any of the buildings which has not been limited by the strictest reasonable economy. The total of the estimate for the Government-house complete is 12,000 *l.*, for the portion ordered to be now built it is 5,700 *l.* This last sum will be reduced to 4,994 *l.* by the sale of the materials which were sent out for the construction of the original wooden house. It was found impossible to put up this original wooden house with any regard to economy and due advantage. The expense of cutting and preparing the timbers which were omitted, would have cost as much as to have supplied the deficiency with stone. The plan of the house approved of by the commissioners has been retained, and alterations permitted only to the extent that a permanent building in stone ought to differ from one of a temporary character in wood.

It was the opinion of Mr. Kingston, and of every person that I consulted, that it would be most unwise to employ at all the old materials in the new house, and much better to sell them for what they may produce. The total estimate for the public offices complete, is 10,000 *l.*; for the half that I have allowed to be commenced, 5,000 *l.*

In addition to these extraordinary expenses, there are others which I contemplate with anxiety, and into some of which I have been obliged partially to enter. The principal of these are:

1. For small Custom-houses for subordinate officers and boats' crews, at the new port at Glenelg, Onkaparinga, Encounter Bay, and Kangaroo Island.

2. Small Police-stations at these places.—From the character of the coast and country, Acts for the imposition of customs would be mischievous and unnecessary forms without

(No. 17.) Colonel Gawler to Rowland Hill, Esq. 8 April 1839.

preventive stations; and such is the description of the sailors who frequent our ports, corrupted as they have been by intercourse with whalers, that very active and efficient measures of police are absolutely necessary with reference to them. I have good reason to believe that the revenue has already been defrauded to a large extent, from the want of efficient preventive arrangements, and that shortly the Customs' Act will become inoperative, unless the fair trader is sufficiently protected.

3. A Court-house.—The present temporary building occupied daily by the resident magistrate, contains one apartment only; no jury rooms, or offices of any description.

4. A Gaol.—The present building is the most deplorable contrivance for confinement that can be imagined. Since I arrived in the colony six prisoners have escaped from it; the others have been only kept in by police sentries.

5. A Native Village.—The present location is useless, and it is in a bad situation; in design it is not at all suited to the habits of the aborigines. Every day renders their position in reference to the settlers more dangerous, and it is of great importance that decisive measures should be taken to induce them to occupy fixed habitations. I have good reason to think that many of them are anxious to live in houses, and have ordered three small ones to be built to commence the experiment; to these are to be added a school-house and two very small houses for the German missionaries.

6. A New Immigrant Depôt.—It has been formally reported to me, by the emigrative agent and Mr. Kingston, that the present buildings are unfit for occupation, and in too defective a state to be worth the expense of repairing. The materials of which they were constructed were exposed for a considerable time on the beach; they were then put together by inexperienced persons, and have been left in the rough wood without paint or preservative covering of any kind. They are without fire-places, except such as the immigrants have built with clay; there are no kitchens, and no privies; nothing in fact to render them decent and comfortable.

7. An Infirmary.—Sick persons, some of them in a state of insanity, are frequently thrown upon the government, without friends, and without means. Sick sailors, whose daily expenses are paid, are numerous, and accidents are rather common. A fund is on foot for contributing to this object, but it will be very long before it can be sufficient to meet the expense.

The present hut is crowded with six patients.

As yet I have not been able to procure from Mr. Kingston plans or estimates for any of these buildings. His business, like that of every active man in the colony, is so great in amount, that he cannot keep pace with it. I shall not proceed with any of them, except as far as I may be driven to do so by absolute necessity. I feel how difficult it must be for the commissioners to estimate that necessity, especially as this colony in its past and prospective increase of population, is unlike any that have preceded it; but I entreat them, as far as it is possible, to realize all its circumstances, and to place themselves in my position. Before the necessary forms of a mere settlement have been regulated and established, it is passing in the amount and requirements of population into a large colony. Before an answer can be received by me to this letter, South Australia, in all reasonable probability, will contain upwards of 10,000 souls.

I remain, &c.
(signed) *George Gawler.*

Rowland Hill, Esq.
Secretary, &c.

(No. 18.) John Gliddon, Esq. to Colonel Gawler, 15 Nov. 1839.

— (No. 18.) —

(No. 94.—Finance: Public Buildings.)

South Australian Colonization Office,
15 November 1839.

Sir,

1. Your despatch (No. 15, Finance) states the imperative necessity which existed for the erection of a government house and public offices of a permanent character, and describes the extent to which, with the consent of the council, they had been commenced.

2. The great augmentation of the public business of the colony, occasioned by the increasing sales of land and the amount of immigration, is considered by the commissioners to have fully justified you in authorizing the commencement of these public works, to the extent described in your despatch, and they fully concur in the propriety of your decision, that the buildings should be of a permanent instead of a temporary character. The great expense, however, which the erection of public buildings, even of the simplest description, will entail upon the colony, makes them fully alive to the necessity of preserving the most rigid economy which is compatible with the efficient discharge of the public business.

I have, &c.
(signed) *John Gliddon,*
Acting Secretary.

His Excellency Lieutenant Colonel George Gawler,
&c. &c. &c.

—(No. 19.)—

MEMORANDUM.

(No. 19.) Memorandum.

In a despatch of 29 May 1839, (No. 21, Finance,) Colonel Gawler reported, and in replies, dated 15th November and 6th December 1839, the Commissioners approved, an expenditure of 3,000*l.* to purchase flour, under the apprehension of a scarcity.

— (No. 20.) —

(No. 20.) Colonel Gawler to Secretary of Colonization Commissioners, 18 July 1839.

Extract of a DESPATCH from Colonel *Gawler* to the Secretary of the Colonization Commissioners for *South Australia*, dated 18 July 1839.

(No. 25.—Finance.)

The necessity for taking such steps* fills me with almost overwhelming solicitude. I look round with continual anxiety to discover how that necessity can be reduced or avoided; I examine and sign every bill that is paid, and inquire into the proceedings of every department without discovering any mode of lessening, with reasonable regard to the security and progress of the colony, the very heavy responsibility that the financial affairs bring upon me. I shall speedily formally call the attention of the council to the public receipt and expenditure, and have confidence that that body will most cordially support me in declaring to Her Majesty's Government and Commissioners the absolute necessity which has existed for incurring the charges, and the impossibility hitherto of meeting them by any considerable increase of revenue.

The expenses of the survey department are enormous. In that department, I have had in every requisite to commence anew. It has been necessary to purchase instruments, marquees, tents, carts and horses. The surveys are no longer confined to points on the coast, which may be reached by water, or to the mere plain of Adelaide, as they were before my arrival in the colony; they now extend inland to Currency Creek on the Lower Murray, to Mount Barker, to Mount Torrens (at the head of the principal branches of the Torrens), and to the neighbourhood of Lynedoch Valley. The communications with them are across many very difficult tracts of country, and the expense of transit very great.

The hire of bullocks, the wages of labourers, and the prices of provisions are very high, and every thing must be sent from Adelaide; there are as yet no secondary towns from which supplies can be drawn.

Notwithstanding these difficulties, the surveys must be carried on rapidly, not only for those who are here to occupy land, but for the thousands who are coming out to take possession of the 100,000 acres which have been purchased for their occupation.

I am most happy to be able to inform the commissioners that, by the great exertions of the Survey Department, the extent of land thrown open to tenders and land orders for 80 acre sections has practically exceeded the demand.

—(No. 21.) —

(No. 21.) Colonel Gawler to Secretary to Colonization Commissioners, 23 August 1839.

Extract of a DESPATCH from Colonel *Gawler* to the Secretary of the Colonization Commissioners, dated *Adelaide*, 23 August 1839.

(No. 27.—Finance.)

I assure the commissioners that, to the best of my very anxiously formed judgment, in taking these extraordinary steps† with regard to finance, I am only yielding to most imperative and unavoidable necessity. I have no present alternative. The affairs of the colony could not go on without such assistance.

Desiring, to the utmost of my power, to satisfy the minds of the commissioners under the most trying circumstances, in which both they and I are placed in this particular, I enclose abstract statements of the receipts and expenditure from the commencement of the last quarter to the 19th instant.

1, 2 & 3. Not printed, as similar information, in a better shape, has been presented in the Appendix to Col. Gawler's Minute of April 1840.

By this they will perceive that the great and extraordinary proportion of the expenditure arises from the Police, Public Works, the Survey, and the Emigration Departments.

With regard to the first of these, extended as the inhabited districts of the colony are becoming, it would be very unsafe to reduce it. Two days since, a deputation from a very influential body, the principal sheep proprietors, waited upon me to request that it might be augmented.

In reference to the second particular, "Public Works," far from running into extremes beyond our absolute necessities, I assure the commissioners, that to the best of my judgment, and of, without exception, that expressed by all I converse with on these subjects, imprudence appears rather to rest on refraining from commencing others,—a gaol, an infirmary, and a new emigrant depôt, a suitable court-house, and a bonding store in Adelaide; and on framing several now in progress,—police and survey stables at Adelaide, and the necessary buildings at the country police, survey, and customs' stations, of low-priced temporary materials, which in this country are peculiarly destructive and in danger from fire.

* Referring to certain bills which he had advised.
† Referring to certain bills which he had advised.

(No. 21.) Colonel Gawler to Secretary to Colonization Commissioners, 23 August 1839.

On the subject of the survey, the commissioners have done me the honour to give me most extensive powers; and I trust it is evident to them that the capabilities of that department are still much below the demands of the colony. The special surveys have added indescribably to the extent of the work to be accomplished. The country is so peculiarly intricate, and the distances to a large number of them so considerable, that as yet it has been impossible to form any calculation regarding them, or to take over even the external boundaries of the greater proportion of them. Still it is of very great importance, in reference to them, that time should not be lost. Labour, provisions, the rates of hire of draught oxen and horses, are very high. The expenses of surveying are increased in a most extraordinary proportion by distance from the centre of supplies and the character of the country as to intricacy and deficiency of population.

The general expenses of the immigration department are beyond control. The baggage of the immigrants must be brought at rates which, in England, would be considered very extravagant, to Adelaide. They must be lodged in reasonable comfort in the depôt, be provided with food, and, when they are sick, with nurses and medical comforts. The charge for these two last items, during the last six months, must appear enormous.

The number of sick in the emigrants' depôt, especially of those afflicted with scurvy and dysentery, has been very great, and the medical comforts peremptorily required for them extraordinary in quantity and of an expensive description;—port wine, fresh meat, and other articles, which stand at peculiarly high prices in the colony.

I make these remarks anticipating my half-yearly report, in which I will endeavour to give to the commissioners the closest information. I beg them to believe that that report is not delayed from inattention to their instructions, or to my own duties; but the pressure of public business, especially as connected with the inexperience of a large number of public officers, and the want of some important functionaries, and with most inconvenient office accommodations, is indescribably great.

—(No. 22.)—

(No. 22.) Memorandum.

MEMORANDUM.

In a despatch of 5th October 1839 (No. 34, Land), Colonel Gawler entered at great length into the motives which led him to retain the original corps of colonial surveyors, besides those sent out with Mr. Frome from England. As the despatch is the longest of all received from Colonel Gawler, and relates entirely to questions concerning land and surveys, independently of finance, and as the adequacy of the grounds on which he acted is admitted in the reply to him from the Colonization Commissioners, it has not been thought necessary to swell the bulk of the present papers by including this communication from Colonel Gawler. The reply, recapitulating its principal topics, and assenting to the course he adopted, is printed; and the despatch itself can be produced, if called for by the committee.

—(No. 23.)—

(No. 23.) Extract Despatch from Colonization Commissioners, 23 May 1840.

Extract of a DESPATCH from the Colonization Commissioners, dated 23 May 1840.

(No 27.—Land Surveys.)

We have had before us your despatch, (No. 34,) of the 5th October last, in which you report the inconvenience and embarrassments you had felt from the arrival of Lieutenant Frome, R. E., as surveyor-general, with a party of sappers and miners, when you had already named Captain Sturt for that office, and made other provision for the general duties of the surveying department; and you further report and request an approval of the arrangements to which you had resorted under these peculiar circumstances.

Upon the same principle of not raising past discussions, which you often and very justly notice in your despatches, we believe that it would be attended with no advantage that we should on the present occasion enter into the detail of the arguments involved in your communication. The change which has taken place in the composition of the commission would render it hardly fitting that we should undertake, as a body, to explain minutely the motives and objects of the measures adopted by our predecessors.

We may observe, however, that it was under no ordinary circumstances that the late Board resolved to send out an officer and surveying staff from England, instead of trusting to the resources of the colony. There was no reason to suppose at that time that the services of an officer of the established character of Captain Sturt could be secured on the spot, nor was there any indication that the assistant surveyors were likely to recede from their resolution to decline the public service. In the meanwhile the commissioners were receiving from every quarter, as well from the purchasers of land in this country as from the settlers who were wasting their capital while waiting to be put in possession of their lots, the most alarming accounts of the backwardness of the surveys, and of the insufficiency of every attempt that had yet been made to provide a proper surveying establishment.

(No. 23.) Extract Despatch from Colonization Commissioners, 23 May 1840.

ment. It is not too much to say, that had you not been able to procure efficient aid where you were, and yet no resource been provided from home, the consequences might have fallen little short of the ruin of the colony.

On the other hand, it cannot for a moment be denied that under the terms of the commissioners' despatch, dated 2d December 1838, you were bound not to lose an unnecessary day in endeavouring to re-organize the surveying establishment, and we think that great credit is due to you for the energy and success with which, under such disadvantages, you prosecuted that object, and, in great measure, by your personal attention to this special department, happily brought the surveys to a point which has put an end to the complaints previously so rife, and apparently so well founded.

Instead then of entering further into the embarrassments which arose from the concurrence of the efforts made from two quarters at once for the same end, we prefer remarking, that by the extent to which we believe we shall be able to assent to the expedients you adopted, we are glad to think that little practical inconvenience is likely to be the result.

The character borne by Captain Sturt renders him a most desirable selection for the office of assistant-commissioner; and under the circumstances you mention, we shall be prepared to recommend to the Lords of the Treasury the allowance of the salary of 600 *l.* to him for the first year of his service.

Under the difficulty which has been felt in South Australia of securing the aid of experienced public functionaries, it is especially necessary to guard against disappointing any direct expectation by which an officer may have engaged in the service.

To the re-employment of Mr. Finniss we shall make no objection on personal grounds. It appears he was considered one of the most able and efficient of the assistant-surveyors appointed under Colonel Light; we acquiesce in his recal to the public service, and in his continuing to hold the appointment of deputy surveyor-general, which you have conferred upon him, in conjunction with the gentleman sent out to fill that office, so long as the demands of the public service may justify such an addition to the strength of the surveying staff.

Impressed as we are with the paramount importance of placing the surveys in advance of the demand for land, we must also assent to the detention at present of the assistant-surveyors brought from the neighbouring colonies, as well as those who resigned with Colonel Light, and who subsequently returned to the service. At the same time, we do not consider it necessary or expedient to hold out to these gentlemen the expectation that their appointments are to be permanent; on the contrary, we consider it probable that, as soon as the several special surveys have been completed, Lieutenant Frome, with, perhaps, one assistant-surveyor and the detachment of sappers and miners, may be able to keep the surveys sufficiently in advance of the demand for land; and should this expectation be realized, a reduction of the surveying staff will become indispensably necessary.

— (No. 24.) —

(No. 35.—Finance.)

(No. 24.) Colonel Gawler to Secretary of Colonization Commissioners, 10 Oct. 1839.

EXTRACT of a DESPATCH from Col. *Gawler*, addressed to the Secretary of the Colonization Commissioners, dated 10 October 1839.

I HAVE the honour to report for the information of the commissioners, that Mr. Gilles has resigned the offices of treasurer, accountant-general, and collector of internal revenue, and that I have appointed in his stead, until the decision of the commissioners be known, Mr. John Alexander Jackson, late of Launceston, the appointment bearing date the 1st October 1839.

This gentleman was very strongly recommended to me as being in every way desirable for the office. His character stands high in the neighbouring colonies for integrity and intelligence.

He is well known to Mr. Gouger, who confirms the report I have heard of him.

Mr. Lawrence, of Launceston, M. C. and Mr. Clark, Ellenthorpe Hall, Van Diemen's Land, have offered themselves as his sureties.

* * * * * *

I have been under the necessity of pledging that his salary shall be 400 *l.* per annum, at the lowest, and at the rate of colonial prices and salaries I consider this very inadequate for such a man in so responsible a situation.

— (No. 25.) —

(No. 52.—Finance.)

(No. 25.) T. F. Elliot, Esq. and Hon. E. E. Villiers to Colonel Gawler, 4 August 1840.

South Australian Colonization Office,
9, Park-street, Westminster, 4 August 1840.

Sir,

IN reference to that part of your despatch, (No. 35,) of the 10th October last, in which you state that Mr. Lawrence, of Launceston, M. C., and Mr. Clarke, of Ellenthorpe Hall, Van Diemen's Land, have offered themselves to be sureties to Mr. John Alexander Jackson, as Treasurer for South Australia, we beg leave to transmit for your information an extract from the letter of the commissioners of audit, on the occasion of the first appointment to this office, respecting the amount and value of the security which ought to be required from the treasurer. As your despatch does not state the amount of the security to be given by the two sureties you allude to, nor whether a bond had been taken from Mr. Jackson himself,

(No. 25.)
T. F. Elliot, Esq. and Hon. E. E. Villiers, to Colonel Gawler,
4 August 1840.

you will be so good as to inform us whether the measures required by the foregoing letter in regard to Mr. Jackson's predecessor have also been adopted in his case, and if not, you will be good enough to take the necessary steps for the purpose.

It is to be observed that the amount of security was fixed by the commissioners of audit, upon the supposition that proper measures would be taken to prevent the balance in the hands of the colonial treasurer from ever exceeding 3,000 *l.*

We have, &c.
(signed) *T. F. Elliot.*
E. E. Villiers.

His Excellency Lieut.-Col. George Gawler,
Res. Com. &c. &c. &c.

— (No. 26.) —

(No. 26.)
Colonel Gawler to Rowland Hill, Esq.
26 October 1839.

(No. 43.—Land Surveys.)

Sir, Adelaide, 26 October 1839.

I HAVE the honour to enclose for the information of the commissioners a copy of a letter which I have received from the surveyor-general, representing the necessity which exists for a departure from his instructions with regard to the scale of the force to be employed under his directions in effecting the requisite surveys, together with my reply to the same.

I have, &c.
(signed) *George Gawler,*
Resident Commissioner.

Rowland Hill, Esq. Secretary,
&c. &c. &c.

Enclosure 1, in No. 26.

Encl. 1, in No. 26.

Sir, Surveyor-General's Office, 24 October 1839.

I BEG leave to address your Excellency on the subject of the present scale of organization of the survey department, as compared with that within which I was directed by the Colonization Commissioners, on my appointment to the office of surveyor-general, to confine the numbers of officers employed; and as I am particularly instructed, in a letter dated 11th May 1839, that "any increase beyond that number can only be made on the general authority given to Colonel Gawler to deviate from his instructions under circumstances of undoubted necessity," and it appears at present, from the number of special surveys which have been selected, quite impossible to avoid exceeding the limits laid down for my guidance without neglecting the more legitimate duties of carrying on the general survey of the country, and dividing it into the required eighty-acre sections, I am forced at the very commencement to appeal to your Excellency to relieve me from the position in which I thus find myself placed.

The interest you have taken in the most important duties of the survey, induces me, without further apology for trespassing upon your Excellency's time, to enter into the following details, which will be useful in enabling you to decide upon the degree of authority you may be pleased in consequence to give me to exceed or alter the instructions I brought out with me, and without which authority I am at present completely fettered.

On my first receiving the offer of my present situation, an estimate was shown to me, which had been drawn up some weeks before, of the expense of an establishment consisting of seven surveyors in the field, which estimate, on my subsequently accepting the office, was again given me for such alterations as I should suggest within these limits, which it was imagined would always keep the survey in advance of the demands for land, and was afterwards made the basis of more detailed instructions relative to the strength and pay of the surveying staff, and the work expected to be done in the field, communicated to me in the letter officially notifying my appointment, dated 12 March 1839.

Before leaving England, I was called upon by the commissioners, in a letter dated May 7th, referring to the last-mentioned communication, for my assent to the arrangements; in which letter it was also stated, that they had refrained from the appointment of any civilian to the survey, with one exception, under the impression that I should prefer completing the staff from the detachment of royal sappers and miners, which, by the permission of the home Board of Ordnance, were to accompany me.

My reply, stating I had no doubt that with this party and the addition of such assistance as I might find in the colony and consider necessary to retain, I should be able to keep the surveys always in advance of the wants of the colony, elicited another letter from the secretary to the commissioners, in which it is stated, "to prevent the possibility of error," it was necessary to remark that the commissioners still understood me as abiding entirely by the estimate contained in Mr. Rowland Hill's letter of the 12th March, that the greater part of the officers of the survey were to be selected from the detachment of royal sappers and miners; and, further, that any increase beyond the number in this estimate could only be made upon your authority to exceed your instructions in cases of undoubted necessity.

I have not alluded in this explanation to the opinion expressed by the commissioners, that it would be injudicious to continue any officer in the service who had withdrawn on the resignation of Colonel Light, as your Excellency has already received a letter on the same subject,

(No. 26.)
Colonel Gawler to Rowland Hill, Esq.
26 October 1839.

Encl. 1, in No. 26.

subject, and has since stated to me, that you considered yourself pledged to retain the few who are thus circumstanced.

I have also abstained from any remarks upon the proposed scale of remuneration to the surveyors, to be proportioned to the ratio the work done in the field bears to the actual cost of the surveys; as from the enormous increase of expenditure beyond what was contemplated, I have thought it probable your Excellency would not, without mature consideration, try the working of this experiment.

Your Excellency will, I trust, appreciate the difficult situation in which I find myself on first entering upon a very arduous duty. The surveying staff, at present, independent of the detachment of royal sappers and miners, already amounts to more than double the total number to which I was confined, and the expenditure is still far beyond this ratio. You, as well as Captain Sturt, have expressed your decided opinions, that the present number cannot bear diminishing without serious injury to the colony, and I am thus obliged at once, to throw myself entirely upon your Excellency, for such instructions, in conformity with the power vested in you, as will exonerate me from the responsibility of carrying on the duties of the survey, in a manner so perfectly at variance with the arrangements to which I acceded, on accepting the office.

I have, &c.
(signed) *E. C. Frome*, R. E.
Surveyor General.

His Excellency Colonel Gawler,
&c. &c. &c.

Enclosure 2, in No. 26.

Encl. 2, in No. 26.

Government House, Adelaide,
26 October 1839.

Sir,

In reply to your letter of the 24th instant, I beg to say, that as it is evident that the Colonization Commissioners are solemnly pledged not only to satisfy purchasers of land without delay, but further, to carry the survey in advance of the demand for the immediate choice and accommodation of persons desirous of purchasing, I consider the circumstances of the colony to be of the emergent character under which I am authorized to depart from my instructions.

A considerable number of preliminary purchasers are still unsatisfied; eighty-acre land orders are continually arriving from England; the holders of the right of choice in about 450,000 acres of special surveys, generally in intricate ground, are pressing for their respective districts; several other orders for special surveys are really in the colony, and many more may be in reason immediately expected.

Under these circumstances, I feel authorized to request that, of course with every regard to judicious economy, you will accept the services of every surveyor who can be supplied with a proper instrument, and in every other suitable manner increase the efficiency and strength of the department, until you receive directions to the contrary from me.

I have, &c.
(signed) *George Gawler*,
Resident Commissioner.

Hon. E. C. Frome, Surveyor-General.

—(No. 27.)—

(No. 28.—Land and Surveys.)

(No. 27.)
R. Torrens and T. F. Elliot, Esqrs. and Hon. E. E. Villiers, to Col. Gawler,
23 May 1840.

South Australian Colonization Office,
9 Park-street, Westminster, 23 May 1840.

Sir,

We have duly received your despatch, (No. 43, Land and Surveys,) dated 26 October 1839, with an enclosure from the Surveyor-General, representing the necessity which exists for a departure from his instructions, and your reply, authorizing that officer under the extraordinary emergency which had arisen to employ, with a due regard to economy, every surveyor who could be properly equipped for the service.

In reply, we have the honour to acquaint you, that we propose shortly to review the whole state of the finance and establishment of the colony, and to apply for the directions of the Lords Commissioners of the Treasury upon many points which will probably require a recourse to their authority. Subject to such conclusions on the rate of expenditure as that more general consideration may lead us to adopt, we may state in the meanwhile that we concur in your opinion that the circumstances of the colony, with regard to the state of the surveys, were of that urgent character under which you were authorized to depart from your instructions, and that we approve for the present the measure you have directed the surveyor-general to adopt for increasing the strength of the surveying staff. The force to which that officer was limited by his original instructions appears to have been regulated with reference to the laying out of the country in sections of 80 acres, and though that force was estimated by competent authorities to be fully adequate to the performance of the work for which it was intended, yet it was not unnatural that it should be found unequal to the execution of the extensive operations in distant and difficult tracts of country, rendered necessary by the extraordinary demand which arose for special surveys. Under the emergency thus unforseen and unprovided for, Lieut. Frome did very properly in appealing to your authority, and placing himself entirely in your hands as to the course to be pursued.

(No. 27.)
R. Torrens and T. F. Elliot, Esqrs. and Hon. E. E. Villiers, to Col. Gawler,
23 May 1840.

While agreeing for the present on these grounds in the arrangements which you have made for increasing the strength of the surveying staff, we must at the same time request that you will ever bear in mind that nothing short of the imperative necessity of putting the settlers in possession of their land with the least possible delay could justify the great expense at which the surveys have hitherto been conducted, and we rely upon you for effecting a very large reduction of that expense as soon as the execution of the special surveys shall have been completed.

We have, &c.

(signed) *Robt. Torrens,* *T. F. Elliot,* *Edw. E. Villiers,* Colonization Commissioners for South Australia.

His Excellency Col. Gawler,
Resident Commissioner, &c. &c. &c.

— (No. 28.) —

(No. 28.)
Colonel Gawler to R. Torrens, Esq.
30 Oct. 1839.

(No. 46, A.—Finance.)

Sir, Adelaide, 30 October 1839.

THE pressing and heavy character of the public business which is continually upon me has prevented me until now from acknowledging the commissioners' warrant of the 12th April 1839, increasing my salary from 800*l.* to 1,000*l.* per annum. I now beg to do so, and to thank the commissioners for recommending the increase to Her Majesty's Government. I am, however, at the same time, under the, to me, painful necessity of stating, that having given the subject a twelvemonth's fair trial, I find that allowance most insufficient for the reasonable expenses of a Governor of this colony. The prices of provisions, and of the greater number of articles of ordinary comfort and necessity, the rates of servants' wages, and so forth, are very high; while from the population flowing in, as it does and probably will continue to do, with extraordinary rapidity, the claims on hospitality are very great.

I have not the slightest intention to endeavour to increase my private property at the public expense, and should be fully satisfied if I were to leave this province with the same amount of private income which I had when the commissioners did me the honour to elect me as its Governor.

At present, without regarding the large sum expended in outfit, my annual expenses are not less than 1,800*l.* and so limited are they in character, that I do not (from inability) keep a horse for a carriage for my wife and family; my establishment in this respect consisting only of three Timor ponies for my children.

With very deep regret, therefore, and solely from reasons of common prudence and duty, I am compelled to say that it is out of my power to remain in this government with a smaller salary than 2,000*l.* a year, to commence on the 1st January 1840.

If the commissioners should consider it proper to recommend this allowance, and the recommendation should be sanctioned by Her Majesty's Government, I will continue to fulfil my duty most earnestly, and to the best of my judgment faithfully, as I can most conscientiously say I have hitherto done.

If this salary cannot be sanctioned, I must, with most sincere regret, resign the honourable trusts confided to me in the offices of Governor and Resident Commissioner, and request that these resignations may be accepted, and that I may be permitted to return to England, receiving the usual allowance for the voyage.

I have written to the Right honourable the Secretary of State for the Colonies, acknowledging his Lordship's communication with regard to the increase of my salary, and stating the conclusions at which I have been compelled to arrive. I have also enclosed a copy of this letter for his Lordship's information.

It has appeared to me necessary, in the peculiar position in which I stand, that the application, whether it be to the Lords of the Treasury for the increase of my salary, or to Her Majesty, for permission to resign my offices, should go, in the first place, through the commissioners, as the choice between the two is primarily dependent on their decision.

While describing the insufficiency of my own salary, I feel it especially a duty to say, that excepting the surveyor-general, whose salary may attain to 1,000*l.* per annum, it is most evident that all the principal officers of the colony are very inadequately remunerated.

When I arrived in the colony, the effect of the low rate of public salaries had been, that the greater part of the public officers engaged, in principle, in private speculations and business, and devoted a very large proportion of their time and thoughts to these occupations.

To prevent these consequences, and others equally at variance with sound principles, regularity, and real economy, I entreat the commissioners to take into their early consideration the propriety of increasing the salaries of, in particular, the undermentioned public functionaries. I assure the commissioners that at present their salaries are low, beneath endurance, and that the gentlemen who receive them remain in their offices almost wholly from zeal for the public service, and the expectation of a very speedy adequate increase.

His Honor the Judge.
The Colonial Secretary.
Advocate-general.
Assistant Commissioner.
Private Secretary and Clerk of the Council.
Registrar-general.
Treasurer.
Resident Magistrate.
Collector of Customs and Harbour-master.
Colonial Surgeon.
Postmaster-general.
Protector of the Aborigines.
Superintendent of Police.
Auditor-general.
High Sheriff.

The

The above are cases of urgent necessity. The subordinate officers also require consideration; but, as the commissioners are aware, I have in most cases raised their salaries on my own responsibility, having been compelled to do so to retain them in their places.

(No. 28.) Colonel Gawler to R. Torrens, Esq. 30 Oct. 1839.

I beg respectfully to urge upon the commissioners, that a liberal scale of salaries, by ensuring the services of efficient men, and by enabling the governor and resident commissioner to compel such men to devote themselves to their duty, would be real economy.

I have, &c.
(signed) *George Gawler*,
Resident Commissioner.

Colonel Torrens, Chairman,
&c. &c. &c.

— (No. 29.) —

EXTRACT of a DESPATCH from Colonel *Gawler*, addressed to the Secretary to the Colonization Commissioners, dated 30 October 1839.

(No. 29.) Colonel Gawler to Secretary of Colonization Commissioners, 30 Oct. 1839.

(No. 46 B.—Finance.)

INCOMPREHENSIBLE as I feel it must appear to all who have not personally witnessed the confusion of affairs which accompanies of necessity the establishment of a new and rapidly progressing colony, and the consequent perplexities and irregularities in which public functionaries previously unexperienced in public business must become involved, it is nevertheless the case, that up to this hour the colonial treasurer and colonial storekeeper have not been able to produce their accounts to 30th June last.

I have reason to believe them to be trustworthy and thoroughly well-meaning men. They have made to me, to the late acting Colonial secretary, to the late surveyor-general, and to my private secretary, as one of the Board of assistant-commissioners, from time to time frequent and most absolute promises on the subject; and on the faith of those promises I have made communications to the commissioners relative to the forwarding of my half-yearly Report; but, as I have just in other terms intimated, I have not been able to procure those papers which must form the body and most essential part of it.

It may be thought, that in the case of these two functionaries, I ought to have put in force the commissioners' regulation with regard to the stoppage of pay; but if the Commissioners will have the goodness to take into consideration the extent of Mr. Gilles' private property, his peculiar temperament, and his earnest zeal for the general welfare of the colony, I think they will see that such a course was unadvisable, and that I have taken the best that could be adopted, that of inducing him in good humour to resign his public offices.

It would not of course have been proper to have put one under a stoppage of pay without adopting the same course towards the other, for the same delay of duty.

Captain Sturt has now taken Mr. Gilbert's accounts in hand, and with the assistance of the survey commissary, Mr. Kennedy, I do hope that they will be brought into a satisfactory course, and into regular periodical reports.

Mr. Gilbert appears very anxious that this should be accomplished, and for a long time past gradual improvement has been apparent in his arrangements.

Under these circumstances, however, with the deepest anxiety to communicate to the commissioners full information upon every point of importance, I apprehend that it will be impossible for me to transmit anything like a regular report until the close of the year. I will, however, endeavour to forward in ordinary communications any observations and intelligence which may be of immediate importance.

— (No. 30.) —

(No. 37.—Finance.)

South Australian Colonization Office,
9, Park-street, Westminster, 23 May, 1840.

(No. 30.) R. Torrens and T. F. Elliot, Esqrs. and Hon. E. E. Villiers, to Col. Gawler, 23 May 1840.

Sir,

WE beg leave to acknowledge your despatch, (No. 46,) of the 30th October last, in which, after observing that the proceeds of the bill which you had drawn on the 3rd of September, for 1,000*l.* on account of the "Emergency Fund," appeared to have been appropriated to the ordinary revenue, you lament the irregularity, and add the remark, that without having personally witnessed the confusion of affairs which accompanies the establishment of a new and rapidly progressive colony, and the consequent perplexities and irregularities amongst functionaries previously inexperienced in public business, it can scarcely be possible to comprehend how difficult it is to obtain returns, even from trustworthy and well-meaning officers.

We need scarcely assure you that we are most anxious to receive regular and systematic reports on the general affairs of the colony, and that the delay in obtaining some of these, especially as regards finance, is attended with many inconveniences. At the same time we are too much convinced, from the whole tenor of your despatches, of your being fully alive to this view of the subject, and are far too sensible of the combined zeal and judgment manifested in your exertions for remedying the present evils, to think of adding to your embarrassment by anything in the nature of complaint. We will only remark, that it is of vital importance to the welfare and character of the colony to introduce more order and punctuality in the discharge of the duties of its principal public officers, and above all, in those of

(No. 30.) R. Torrens and T. F. Elliot, Esqrs. and Hon. E. E. Villiers, to Col. Gawler, 23 May 1840.

a financial nature, and that we trust you will not relax in the efforts which you have so judiciously begun, for accomplishing that desirable end, and in which you may rely on our support.

We have, &c.
(signed) *Robert Torrens.*
T. Fred^k Elliot.
Edward E. Villiers.

His Excellency Colonel Gawler.

—(No. 31.)—

(No. 31.) Colonel Gawler to Secretary of Colonization Commissioners, 14 Nov. 1839.

EXTRACT from a DESPATCH addressed to the Secretary of the Colonization Commissioners for *South Australia*, by His Excellency Col. *Gawler*, dated Adelaide, 14 Nov. 1839.

(No. 47.—Miscellaneous.)

* * * * * * * *

MY intention now is to use every exertion to obtain the colonial storekeeper's and the late treasurer's accounts by or before the end of this year, to give them over for the examination of a committee composed of the members of the Council, the present treasurer and auditor-general, and, if possible, of Capt. O'Halloran, and with their observations to forward them to England. The subject of the accounts oppresses me almost beyond bearing. I have had, as a public officer, too much experience in public accounts, not to know what superior authorities at home require and expect in this particular. I deeply feel that nothing but a clear perception, on their part, of the condition in which I found the province, and of the perhaps unprecedented nature of the position in which I stand up to this moment, will enable them to bear with the unexplained and irregular financial course which I have been pursuing, involving, as it does, an expenditure utterly beyond their, and very much even beyond my expectations.

I did not anticipate the keeping up of the high prices which prevailed when I arrived in the colony, much less an increase upon them, nor did I expect the extraordinary demand for land which has existed in the colony, and the consequent absolutely necessary great increase in the survey, police, and other departments; all of them being affected by it. While, on the other hand, it has had the effect of draining the colony of money, and of throwing such a pressure of business upon the very few public functionaries of experience that there were in the colony, as to render it utterly impossible for them to turn time and attention to the consideration of the best mode of meeting the increased expenditure by taxation.

* * * * * * * *

By the commencement of 1840 I probably shall be able to occupy the new government-house. The public offices will be completed soon afterwards. Many suitable men have been put into public departments. Approaches have been made towards a regular practical system in the whole machine of government, and I have the best grounds for the expectation of being able to maintain, during the year 1840, a state of method and order which will be satisfactory to the commissioners and to Her Majesty's Government, and which I humbly believe, under all the circumstances of the position in which I stand, no man could have established at a much earlier period.

—(No. 32.)—

Finance Minute of Colonel Gawler, 26 Nov. 1839.

FINANCE MINUTE of Colonel *Gawler*, enclosed during his Absence on a Tour, in a Despatch from the Colonial Secretary to the Colonization Commissioners, dated Adelaide, 26 November 1839.

(No. 50.—Half-yearly Report.)

I MOST sincerely assure the commissioners that to this subject my deepest anxiety and consideration have been given. There is cause for making such an asseveration, for those who from a distance of 16,000 miles compare my practice in this particular with the instructions I have received, will be deeply surprised at the course adopted. From those who suggested and those who have cherished favourable ideas of the self-supporting system, and who may be led to suppose that that system has been sacrificed, I must expect severe censure. All that I can say is, that I came to this colony pledged and resolved to give it the fairest trial, and that to the best of my judgment I have done so. It was an experiment; I could not fight against impossibilities; and I am free to say, I would not sacrifice the brilliant prospects of the colony in other particulars to a chimerical pursuit of it. I do not, however, mean to infer that the hope of the success of the self-supporting system has been sacrificed. It would have been so if, by imprudent parsimony, public functionaries had been disgusted, public departments had remained in irregularity and inefficiency, absolutely necessary public works had been unassisted or unaccomplished, if the survey had been inadequate to the demand, and, in consequence of all these, if settlers with their capital had been driven to other inviting colonies; but, as things are, there is now in this province a mass of population and of wealth from which a revenue can be raised, and the self-supporting system be carried out with the greatest probability it could ever have of success.

The

(No. 32.) Finance Minute of Colonel Gawler, 26 Nov. 1839.

The principal causes for the actual expenditure having in an extraordinary manner exceeded the regulated estimate and allowance, are as follows:—

1st. That the authorized establishment is deficient in a considerable number of most necessary public functionaries.

2d. That the regulated salaries of public functionaries were so disproportionate to the rate of expenses in the colony, that few men of intelligence and character would have remained in the public service on those salaries.

3d. That the population on my arrival was passing from that of a settlement to a small colony of 4,000 or 5,000 inhabitants, and that it has since, with unprecedented rapidity, become a considerable colony, of not far short of 10,000 souls; I think it now exceeds 10,000 (20 November 1839). Public buildings and the material of public establishments were, in almost every case, temporary or unserviceable, and scarcely sufficient even for a settlement; they were very insufficient for a small colony; and, as compared with the population we now have, the extent of its requirements and of its occupied and purchased territory, they may be said to have been absolutely worthless. In almost every public department I have had to form everything anew, as if nothing had previously existed.

During the past twelvemonth there have been built, or are building or erecting:

1. One-half of the proposed permanent public offices.

2. One-half of the proposed permanent government-house and a gardener's house on the grounds. I pay my gardener and his labourers; their work is not merely to keep the grounds and garden in order, but to make them.

3. A house for the colonial storekeeper at his stores; commenced before my arrival.

4. A small house for the emigration agent, near his depôt.

5. A surgery and temporary hospital at the emigration depôt; the depôt itself also thoroughly repaired.

6. An iron store, for a bonded store, depôt of arms, and dispensing survey store, in Victoria-square.

7. Stables for survey horses in Adelaide.

8. Police barracks and stables for police horses in ditto.

A great increase of expenditure has been entailed by the horses having been hitherto, of necessity, at livery.

9. Small barracks for sappers and miners. Police preventive stations at

10. Port Adelaide;

11. The reed beds; green slip near to section 448, District (A.);

12. At Glenelg, and

13. Encounter Bay.

14. Police and survey-party houses, survey store and sheepfold at Willunga, 27 miles from Adelaide, on the great central road to Currency Creek, elbow of the Murray, Encounter Bay, Yankallila, Rapid Bay, and all the intervening districts.

15. Small houses, for the accommodation of public officers travelling at Willunga, and

16. Encounter Bay, thereby saving the expense of the transport of tents and other necessary conveniences.

17. Two houses for German missionaries, and a house for the schoolmaster, and five cottages for the natives at the native location at Adelaide. At the solicitation of the protector, a school house and hospital are now erecting.

18. A house for a missionary, to superintend the natives at Encounter Bay.

In the same time there have been purchased,

19. One deal boat and three boats for the harbour-master or preventive service.

20. One horse for the resident commissioner.

21. One horse for the assistant commissioner.

I found two, one old and worn out, in the possession of the former commissioner. Requiring always some public functionary to ride with me, there were not enough for my work, and I exchanged one for a better, and added a third. Hitherto in the colony, generally one-fourth at least of the horses have been laid up, from inexperience in the climate.

22. Horses for the mounted police.

23. Horses for the survey department.

24. Horse and cart for survey department.

25. Ditto for police.

26. Ditto for emigration agent and colonial storekeeper's journeys to Port Adelaide and Glenelg.

27. Teams of bullocks for survey department.

28. Marquees, tents—survey department.

29. Theodolites—survey department.

30. Twenty-five carbines, 25 rifles, and pistols for the police.

31. 250 Prussian musquets for the use of the survey department, and as a precautionary store.

32. Four 18lb. carronades.

These were purchased when the alarm of a maritime war, and its consequences to small colonies were great. Apprehension also concerning the natives was considerable; 18 serviceable musquets only were left of those originally sent out. It was most necessary to arm the police; and the consignee of the rifles and carbines would not part with them at a wholesale price, unless the musquets also were purchased. These were cheap, were much wanted, and fairly calculated for the survey parties, and will save the new ones from rapid destruction.

(No. 32.) Finance Minute of Colonel Gawler, 26 Nov. 1839.

Besides these,

33. A considerable portion of the expense of a wooden bridge over the Torrens at Adelaide, has been paid from the public purse.

It is absolutely necessary that the government should take part with the colonists in works of this description. A telegraph, the foremast of the David Whitton, has been erected at Glenelg.

The uncertainty with regard to arrivals has entailed much expense and great irregularity and inconvenience. The telegraph will prevent this recurrence.

35. The mud barge has been built and kept in operation.

36. The grounds at government-house fenced round; wells sunk in various situations for the public service—expensive, but in this country most necessary, undertakings; the cost in general from 50*l.* to 200*l.*, and a very large quantity of smaller articles necessary for the service purchased, and a considerable number of smaller works performed.

All this has been doing during a particularly expensive period; the failure of the crops in the neighbouring colonies having raised the prices of labour, hire of transport, provisions, horses, and almost everything required, to an extravagant height.

Very little, if any, expenditure has been authorised which might have been with safety deferred to a later period; on the contrary, I am persuaded, and would pledge myself to prove, that a considerable injury has been done to the colony, and even, in the end, considerable expenditure entailed, by too close restriction on the public purse.

I can state confidently that I believe the expenditure to have been free from extravagance, excepting as far as that evil must attend proceedings of a novel character forced on with unprecedented rapidity. Under such circumstances, mistakes to a certain extent must be expected, with the best intentions to act judiciously and correctly. I feel also persuaded that the affairs of the government are becoming more and more free from those petty peculations which arise mainly from indistinct notions on the subject of public principle and duty.

— (No. 33.) —

MEMORANDUM.

(No. 33.) Memorandum.

Colonel Gawler's despatch (No. 9,) of the 3d of February 1840, reporting that 15,000*l.* had been borrowed of the South Australian Company, has been printed already at page 94 of the Evidence handed in by Mr. Gairdner.

— (No. 34.) —

(No. 34.) Colonel Gawler to Chairman of Colonization Commissioners, 3 Feb. 1840.

Extract of a DESPATCH from Colonel *Gawler* to the Chairman of the Colonization Commissioners, dated Adelaide, 3 February 1840.

(No. 10.—Finance.)

The manager and the cashier of the Bank of South Australia have consented to give considerable aid to the sale of the colonial treasurer's bills, in consideration of a commission of 10*s.* per 100*l.*, which I am willing for the present to authorize, as the advantage which we derive from their assistance in this particular is more than commensurate to such allowance.

The whole of the accounts of last quarter have now been paid; and the revenue which may be collected during the current quarter, together with the proceeds of any further bills which Mr. Jackson may draw before 31st March, will be applied to the adjustment of the colonial treasurer's account with the Bank of South Australia.

— (No. 35.) —

MEMORANDUM.

(No. 35.) Memorandum.

Colonel Gawler's despatch (No. 17,) of the 26th February 1840, offering a vindication of the necessity of his expenditure, will be found at page 97 of the Evidence handed in by Mr. Gairdner.

— (No. 36.) —

(No. 36.) R. Torrens and T. F. Elliot, Esqrs. and Hon. E. E Villiers, to Col. Gawler, 8 July 1840.

(Separate.—Finance.)

South Australian Colonization Office,
9, Park-street, Westminster, 8 July 1840.

Sir,

We had hoped to be able to take an early opportunity of communicating with you on the finances generally, and public establishments of the colony; but on examining more fully into the subject, and adverting to the great and alarming amount of the bills which have

(No. 36.)
R. Torrens and T. F. Elliot, Esqrs. and Hon. E. E. Villiers, to Col. Gawler;
8 July 1840.

have continued unceasingly to pour in upon us, we have found our position so seriously affected, that it appeared to us one in which we were bound to apply for the counsel and instructions of higher authority, and we have therefore addresssed ourselves to the Secretary of State. Before him, we have laid a full and unreserved statement of the financial condition of the colony, and we are in expectation of a very early communication on the subject. Pending this reference to Her Majesty's Government, it would be premature in us to enter upon any general instructions to you.

We enclose, however, for your information, an extract of our letter to Lord John Russell, containing a statement of the facts of our present situation, and we trust that, having drawn your attention to that narrative, we need not enlarge upon the necessity of your curtailing every branch of expenditure that will admit of it, and drawing no bills for purposes of which the principle has not been sanctioned. It is our request that, from the date of receiving this despatch, letters of advice may no longer be made out according to the form recently adopted; that the drafts are for "claims incurred during the past quarter," but that they may distinctly specify whether they are for salaries, and of what department, or if drawn for some other purpose, may convey some clear description of that purpose, sufficiently intelligible to enable us to judge whether it has been properly authorized.

Extract from Letter to J. Stephen, Esq. 7 July 1840. Printed at page 97 of the Evidence handed in by Mr. Gairdner.

We are obliged to add, that, should bills continue to be drawn after the receipt of these directions, without duly adhering to their tenor, it must not be matter of surprise if, feeling the necessity of effectually keeping our obligations within our means, we should deem ourselves compelled to refuse acceptance.

With this remark on the points admitting of no delay, we postpone, as above intimated, any more general observations until we shall be in possession of the views of Her Majesty's Government.

We have, &c.
(signed) *R. Torrens,*
T. F. Elliot,
E. E. Villiers.

His Excellency Colonel Gawler,
&c. &c. &c.

—(No. 37.)—

(No. 58.—Finance.)

South Australian Colonization Office,
9, Park-street, Westminster, 24 August 1840.

(No. 37.)
T. F. Elliot, Esq. and Hon. E. E. Villiers, to Col. Gawler,
24 August 1840.

Sir,

In our recent despatch of the 8th ult., marked "Separate Finance," we requested that you would lose no time in correcting the practice which had lately grown up, of giving no other information in letters of advice upon bills, as to the nature of the purpose for which they are drawn, than that it was for "claims incurred during the past quarter." It is no doubt to be observed, that in Mr. Gliddon's letter to you of the 15th November 1839, written by order of the late Board, it is stated that under the circumstances mentioned in your despatch of the 31st March, 1839, (No. 14,) the commissioners would "forbear to press for the invariable insertion in the letters of advice of the object of expenditure, but they trust that when practicable, this regulation will still be attended to." The terms of this letter were evidently intended not to sanction a universal custom of advising the bills in such manner as to give no material information at all on the purpose for which they were drawn; and we adhere to our recent view that the custom should be altered.

We are now compelled to notice another very important irregularity in the letters of advice which are at present, from time to time, coming into our hands.

By the instructions to you, on the receipt and expenditure of the public money in South Australia, dated 5th October 1838, it is required, that "before ordering payment of any account you will cause it to be examined and certified to you *as due.*" The instructions to the treasurer of the 9th November 1839, especially direct as to the letters of advice to be countersigned by you, that one of their statements is to be, that no part of the payment is to be in advance. Such a statement is accordingly printed on the face of those letters. But in the case of No. 190, of the 25th February last, being a draft for 283*l.* 5*s.* in favour of Messrs. Gorton and Co., and in all but one of the bills which have been subsequently received, a pen is drawn through the passage inserted as above-mentioned, in accordance with commissioners' directions, and instead of it is substituted the very unsatisfactory intimation that the proceeds "*will be* devoted to the expenses of the current quarter."

Independently of the disregard manifested for the instructions issued by the Board for your guidance, we can hardly conceive a practice more subversive of regularity in the colony, and more dangerous to the proper application, or even the safe custody of the public money, than this course of drawing and selling bills to raise money, for no object which can be described as actually due, but merely under an indefinite intimation that at some future time the proceeds will in fact be devoted to public uses.

The expedient is also an additional obstacle to the exercise of any effectual control from this country, or the acquisition of any available knowledge here of the course of expenditure in the colony. For inasmuch as it professes to find funds for general purposes, and not for definite charges already incurred, it finally precludes the practicability of knowing what bills are drawn for authorized expenses, and what for unauthorized. It thus provides a form for, and adopts as a system, the practice which had already become too plainly a settled one in the colony, of leaving the authorities in this country, who are responsible for meeting the bills, no means of even conjecturing beforehand the amount of the demands.

(No. 37.)
T. F. Elliot, Esq. and Hon. E. E. Villiers, to Col. Gawler,
24 August 1840.

The substantive question of the evils with which the colony is threatened by the exorbitant amount of bills that have been cast upon this country, is a subject too serious for us to enter upon in this despatch, upon the inaccuracies in their forms. The statement of their amount, and of the necessity for absolutely prohibiting their continuance, has been submitted by us to Her Majesty's Government. But, in the meanwhile, it is not the less necessary to guard against an incorrectness of form which may further enhance the obscurity and confusion now unfortunately attending the course of colonial expenditure.

We must now therefore request that the irregularity we have mentioned may be discontinued, and if, after the date at which this despatch shall reach the colony, any further bills should be sent to us open to the same objection, we shall feel that we have no choice but to refuse their payment, as drawn in an irregular manner, and not in accordance with the form which we have prescribed.

We have, &c.
(signed) *T. F. Elliot.*
E. E. Villiers.

His Excellency Colonel George Gawler, &c.
South Australia.

— (No. 38.) —

(No. 38.)
R. Torrens and T. F. Elliot, Esqrs. to Col. Gawler,
14 Sept. 1840.

(No. 59.—Finance.)

South Australian Colonization Office,
9, Park-street, Westminster, 14 September 1840.

Sir,

NOT having any vessel about to sail for South Australia, we think it right to make use of the overland mail to acquaint you that, finding we have reached the end of all the funds in our hands, and observing by your despatch of the 26th February, (No. 17, Finance,) that there was expected to be a continued surplus expenditure of 120,000*l.* per annum not provided for from any colonial resource, we have felt it necessary for the last fortnight to refuse acceptance of all further bills whatever, until we have received the instructions of Her Majesty's Government, before whom we have brought a full view of the whole case.

You will doubtless receive a copy of our communication on the subject from Lord John Russell, as well as the earliest intimation of the decision that may eventually be adopted. In the meanwhile it must be quite unnecessary to say that it will behove you to abstain from drawing any more bills upon this commission.

We have, &c.
(signed) *Robt. Torrens.*
T. Fred. Elliot.

His Excellency Colonel Gawler,
&c. &c. &c.

— (No. 39.) —

(No. 39.
Colonel Gawler to Colonization Commissioners,
21 March 1840.

EXTRACT of a DESPATCH from His Excellency Colonel *Gawler* to the Colonization Commissioners for South Australia, dated 21st March 1840.

(No. 26.—Miscellaneous.)

I HAVE the honour to forward the half-yearly reports ending the 31st December 1839, of the public departments named in the margin.

Collector of Customs and Harbourmaster.
Sheriff, Resident Magistrate, Superintendent of Police, Postmaster-general, Surveyor-general, Land Office, Immigration, Colonial Surgeon, Aborigines.
N.B. The Enclosures, being very voluminous, are not presented in bulk, until it shall appear whether the Committee desire them to be produced.

They are not so regular and complete as the instructions of the Commissioners require, but I trust that the condition of the colony during the past year, the (what may truly be described as) miserable state of office accommodations, and the great and varied difficulties with which the Government has had to contend, will always be borne in mind in extenuation.

The current year has commenced with a different order of things. The public departments generally are in the hands of men who are not merely zealous, but at the same time systematic and judicious. I have the greatest confidence that Her Majesty's Government and Commissioners will, at its close, be satisfied with the manner in which its affairs have been conducted.

I have allowed the different heads of departments to make their reports unbiassed by suggestions from me. In some points, therefore, they may naturally be expected to differ from my views.

I will briefly remark on some subjects of importance in their reports, or in connexion with the general state of the province. The time that I have found it necessary for some months past to devote to the consideration of financial affairs, and to the introduction of a more complete system into the different public offices, added to my, until very recently, most inconvenient office accommodations, and the heavy pressure of unavoidable daily business, has compelled me to withhold a full report from myself.

* * * * * * * *

The sales of land in the colony have considerably decreased. This is nothing more than a necessary consequence of the purchases having far exceeded the pastoral and agricultural requirements of the population. The land already surveyed would well bear from 30,000 to 40,000 inhabitants, while the districts actually sold would support, in comfort, double those numbers. The really available land between the Gulf of St. Vincent and the Murray, including the course of the river from the "Great bend" downwards, might well contain from 100,000 to 200,000 inhabitants. It would be no disadvantage to the colony if land sales under the commission were to cease, until the territory already purchased were tolerably populated. There has been lately a most desirable depreciation in private prices

of

(No. 39.) Colonel Gawler to Colonization Commissioners, 21 March 1840.

of land, necessarily consequent on over-purchases. Land proprietors are now contented with moderate profits, and settlers coming with money from England can obtain land, at moderate distances from Adelaide, at reasonable prices. In some cases land sells below the original cost, but these are only when it has been badly chosen, or that the owner is in haste to obtain money. For the present it is very much more to the advantage of the colony that emigrants should come with cash than with land orders. The province requires, not more land to be sold, but capital to be employed upon that which has been already appropriated. Absentee proprietors who leave their purchases unlocated and unimproved, are the greatest foes to the prosperity of the colony. It is much to be hoped that a Non-improvement Act may shortly be devised to remedy this evil, by judicious but heavy taxation.

The survey department is for the time being of greater importance, has given much more trouble, and has entailed greater expense than any other public establishment. The circumstances in which there are the greatest risks of mismanagement in connexion with it are the purchase, issues, and transport of stores. I found that Mr. Gilbert was quite unable properly to superintend these duties, embracing as they do intricate considerations with regard to parties widely scattered over the country, and extensive are his responsibilities as general storekeeper; I therefore instituted the office of survey commissary, and appointed to it Mr. ——

* * * *

He, however, proved to be unequal to the task; his accounts fell into confusion, and a short time before Mr. Frome's arrival, Mr. —— was appointed to succeed him.

Mr. Frome at first hoped well of Mr. ——, but ultimately discovered that he was addicted to intoxication.

* * * *

Mr. Frome applied home for his dismissal, and recommended Mr. Holmes, formerly an officer in the Spanish Legion, to succeed, whose appointment I have confirmed.

Irregularities of the kind above described are extremely harassing; but they are, I find by experience, inseparable from the state of a new colony in which men are not known; in which persons of real intelligence and character are too well paid in private occupations to seek for public offices, and in which, in consequence, persons really suitable for public situations are scarcely to be found.

I assure the commissioners that I am unceasingly most anxious to have public offices properly filled, and that those who hold them should devotedly fulfil their respective duties. Much has certainly been done towards these ends, but I am free to acknowledge that much remains to do.

— (No. 40.) —

(No. 27.—Finance.)

(No. 40.) Colonel Gawler to R. Torrens, Esq. 4 April 1840.

Sir, Adelaide, 4 April 1840.

BEFORE my departure for Port Lincoln, it has become necessary that I should take into consideration our present method of drawing bills upon the Colonization Commissioners (our chief financial resource), in as far as my counter-signature is required to them.

Bills upon the commissioners, either for payment of specific accounts, or as advised on the instant by the bank of South Australia for disposal, require now to be drawn almost daily by the colonial treasurer; and, as drawn, are presumed to be counter-signed by me. The question has arisen, how this duty is to be performed in my absence from the seat of government? The natural arrangement would seem to be, that when the public interests require my occasional absence, my assistant, Captain Sturt, should assume it; but then I have reason to believe, that any other signature than my own, with which the colonists both in this and the neighbouring provinces are now familiar, might be an obstacle to the ready disposal of our drafts.

Under these circumstances I have resolved on the following plan, of which I have now the honour to advise you, with the view that the bills drawn under it may not fail, for want of necessary explanation, to be duly honoured. I purpose to leave a certain number of blank bills, numbered from 260 to 320 inclusive, in the hands of the treasurer, to which I shall attach my counter-signature, leaving them to be filled up and disposed of by the treasurer as demands are made upon him for drafts, but with the limitation that these bills shall not in all exceed 20,000 *l.*

But to these bills it will be impossible for the accompanying "Letter of Advice," to be filled up in the usual prescribed form as regards the certificate signed by me, inasmuch as I cannot say of bills drawn in Adelaide, at a time when I am at Port Lincoln, "that I have this day countersigned, &c." My intention, therefore, is to direct that the letters of advice shall be altered according to the form attached; in which shape accordingly, the bills drawn upon the commissioners during my absence, will come before them. If this plan is not entirely free from objection, I regret that I cannot, under all the circumstances, see any other, but what is less so.

The colonial treasurer will be instructed to communicate constantly to the officer administering at the seat of government, during my absence, the particulars of the bills drawn by him.

I have, &c.
(signed) *George Gawler,*
Resident Commissioner.

Colonel Torrens, Chairman, &c.

(No. 40.)
Colonel Gawler to R. Torrens, Esq.
4 April 1840.

Encl. in No. 40.

Enclosure in No. 40.

LETTER OF ADVICE.

No. 260.

Adelaide, South Australia,
day of , 18 .

Gentlemen,

I HAVE the honour to inform you that I have drawn upon you a Bill of Exchange, No. , dated , 18 , payable to the order of , at sixty days after sight, for the sum of , which is a payment to

The authority for this payment (no part of which is made in advance) is contained

I have the honor to be,
Gentlemen,
Your obedient humble servant,
Colonial Treasurer.

to be

I have ~~this day~~ countersigned a Bill of Exchange, drawn upon you, ~~of which the above is a true description,~~ and numbered 260.

(signed) *G. Gawler,*
Colonial Commissioner.

To the Colonization Commissioners for South Australia.

— (No. 41.) —

(No. 41.)
R. Torrens, and T. F. Elliot, Esqrs. and Hon. E. E. Villiers, to Col. Gawler,
25 Nov. 1840.

(No. 72.—Finance.)

South Australian Colonization Office,
Sir, 9, Park-street, Westminster, 25 November 1840.

WE have received your despatch, (No. 27, Finance,) dated 4th April 1840, in which you inform us, that in consequence of your intended departure for Port Lincoln, you had deemed it expedient to leave in the hands of the treasurer, the bills of exchange, numbered from 260 to 320 inclusive, namely, 61 bills, signed by you in blank, and that you had so altered the printed letter of advice which would accompany those bills, that they should no longer express an acquaintance on your part with the contents. You inform us also, that you had imposed upon the treasurer the limitation that the amount of these bills should not in all exceed 20,000*l.*

We regret that we are compelled to express our dissent from the judgment which you have exercised on this occasion. It appears to us, that under no circumstances should a subordinate officer, acting alone, have been empowered to exercise that final control over the issue of public money which had been entrusted solely to the Resident Commissioner and Governor; and still less should such a power have been left in his hands, to an extent involving an expenditure in two or three weeks, of a sum of money exceeding by more than one-half the whole for which there was authority to draw upon this Board throughout the year.

Pending the reference of all the financial questions connected with South Australia to the judgment of the House of Commons, we have adopted the course of abstaining from any general discussion of subjects of that nature in our despatches. But we feel bound to record our objection to the principle of the measure taken on the present occasion, in order to guard against its being drawn into a precedent, and to express our desire that it may not be repeated.

As the object of the support which Her Majesty's Government has given us, in endeavouring to meet the liability for the colonial drafts, is to support the credit of the colony, we shall offer our recommendation that those bills which contained on the face of them no informality which could have been noticed by the holders, may be paid in common with the rest. Nevertheless, the irregularity is of such a nature, that we shall feel it our duty, distinctly, to submit the question to Her Majesty's Government, and to receive their instructions before we assume that these are to be dealt with in the same manner as other bills.

We have, &c.
(signed) *Robert Torrens.*
T. Frederick Elliot.
Edward E. Villiers.

— (No. 42.) —

(No. 42.)
Colonel Gawler to Colonization Commissioners,
20 Aug. 1840.

(No. 47.—Finance.)

Gentlemen, Government-House, Adelaide, 20 August 1840.

IN reference to my communication of the 4th April last (Finance, No. 27), on the subject of the colonial treasurer's drafts on the Colonization Commissioners during my absence from the seat of government at Port Lincoln, I have now the honour to inform you, that the public service requiring that I should set out in a few days for the Murray, from which I may not return for some weeks, an arrangement similar to that advised in such communication has again become necessary.

Accordingly,

(No. 42.)
Colonel Gawler to Colonization Commissioners, 20 Aug. 1840.

Accordingly, the letter of advice attached to the bills of exchange drawn by the treasurer during my absence, will be altered according to the form attached.

I cannot at present state the number of the bills of which the letters of advice accompanying will be thus altered, as I cannot foresee how many bills may be drawn between this and my departure, of which the letters of advice will of course remain unaltered; but I conceive they will be all bills drawn from about the 25th instant to perhaps the 14th or 15th of next month, which I reckon will be the farthest probable date of my return to Adelaide.

The colonial treasurer has instructions not to allow his drafts in all to exceed 12,000 *l.* (twelve thousand pounds) during my absence.

I have, &c.
(signed) *George Gawler,*
Resident Commissioner.

The Colonization Commissioners for South Australia, &c. &c. &c.

Enclosure in No. 42.

Encl. in No. 42.

LETTER OF ADVICE.

Adelaide, South Australia,
day of 18 .

Gentlemen,

I HAVE the honor to inform you that I have drawn upon you a Bill of Exchange No. , dated 18 , payable to the order of , at sixty days after sight, for the sum of , which is a payment to

The authority for this payment (no part of which is made in advance) is contained.

I have the honor to be,
Gentlemen,
Your obedient humble servant,
Colonial Treasurer.

blank form of to be

I have ~~this day~~ countersigned ^ a Bill of Exchange ^ drawn upon you, ~~of which the above is a true description,~~ to be numbered.

(signed) *G. Gawler,*
Colonial Commissioner.

To the Colonization Commissioners for South Australia.

— (No. 43.) —

(No. 54.—Finance.)

(No. 43.)
Colonel Gawler to Colonization Commissioners, 24 Nov. 1840.

Gentlemen,

Adelaide, 24 November 1840.

I HAVE the honour to inform you, that immediately before the opening of the new road to the new port, section (A), the manager of the South Australian Company made to me a formal proposal to dispose of the road altogether to the government, or to give up the tolls on it for an annual consideration of 15 per cent. on the actual outlay.

The first I refused; to the second I acceded for one year, with a reduction of the interest to 12 ½ per cent., or for two years at the same interest, if the decision of the Commissioners in regard to continuance should not arrive before the commencement of the second twelvemonth.

The advantage and encouragement afforded to the trade and commerce of Adelaide in this time of considerable despondency and depression, by dispensing with the incumbrance and embarrassment of heavy tolls on the road, were my reasons for preferring this change of arrangement.

Vessels entering the harbour have an immense saving in time by the convenience of the landing-places which are made available by the road; I therefore propose to lay on them an average duty of 1*s.* per ton, which it is calculated will cover the interest promised the company, without any increase of machinery for its collection.

Cost of the road to the company, in round numbers - - - - -	13,400 *l.*
Annual interest thereon, at 12 ½ per cent. - - - - - -	1,775 *l.*
Tonnage entered for the half-year to 30th June - - - - -	18,000.
Annual amount of dues, at an average of 1*s.* per ton - - - -	1,800 *l.*

Besides these, light simple tolls may be put on the road for common repairs and superintendence.

I have no intention of improving the road, or of making extensive repairs. It still strictly belongs to the company, and it is for them to undertake any substantial work of these kinds.

The good policy of continuing this arrangement or not beyond the first year depends, it appears to me, on two points;—

1st. The revival of the colony from the check now working from external causes to an activity of trade and commerce corresponding to its capabilities.

2d. The non-construction of a road from Adelaide direct to the branching off of the north arm.

(No. 43.) Colonel Gawler to Colonization Commissioners, 24 Nov. 1840.

If trade and commerce were as active as, looking to the capabilities of the colony, they ought to be, and the communication with the north arm were accomplished only by a bridge or ferry at section (A,) and a road from it along the west bank of the harbour, the company's road would yield in tolls 12 ½ per cent. per annum, and a surplus for repairs.

The company might be induced to limit the period of receiving this interest, say to eight years, the road afterwards becoming free to the public.

They deserve, in justice, a direct remuneration for the great risk and enterprise of undertaking it, for which also they were promised tolls to the amount of 25 per cent. if they could be raised; but they have received a large indirect remuneration in the great value which it has given to their property at Section (A).

A road from Adelaide direct to the north arm would probably take off the larger proportion of the traffic from the company's road, and render it impossible, until the population should be very much increased, to raise a sufficient sum in tolls from the last-mentioned line of communication.

I have, &c.
(signed) *George Gawler,*
Resident Commissioner.

The Colonization Commissioners for South Australia.

Paper, No. 16.

(A.)

MONTHLY STATEMENT of WAYS and MEANS for the Year 1840, on the assumption of a Loan of £. 120,000 having been raised in June, payable by equal Instalments in the Months of July, September, and November; and also on the further assumption of one Emigrant Ship having been dispatched in each of the Months of September, October, and November.

ASSETS AT THE DISPOSAL OF THE COMMISSIONERS.				CLAIMS DUE, AND SUPPOSED TO BE PAID DURING THE MONTH.				
MONTH.	Balance which would have been in Hand at the Commencement of the Month.	Sums known to be receivable during the Month.	TOTAL.	REVENUE.	EMIGRATION.	TOTAL.	Estimated Surplus at the End of the Month.
1840:	£. s. d.	£.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
January -	74,435 2 6	- -	74,435 2 6	1,284 12 11	13,467 1 6	14,751 14 5	59,683 8 1
February -	63,995 14 8	- -	63,995 14 8	1,572 7 4	7,560 12 9	9,133 - 1	54,862 14 7
March -	78,731 18 7	- -	78,731 18 7	7,900 4 10	13,406 9 -	21,306 13 10	57,425 4 9
April -	63,604 7 9	- -	63,604 7 9	3,577 1 1	11,830 12 10	15,407 13 11	48,196 13 10
May -	54,848 6 5	- -	54,848 6 5	3,630 8 7	10,468 1 7	14,098 10 2	40,749 16 3
June -	51,375 18 5	- -	51,375 18 5	10,205 11 4	11,806 11 11	22,012 3 3	29,363 15 2
July -	37,272 2 10	40,000	77,272 2 10	7,571 - 5	11,620 4 5	19,191 4 10	58,080 18 -
August -	72,841 18 1	- -	72,841 18 1	17,378 4 8	18,555 4 5	35,933 9 1	36,908 9 -
September	53,412 2 2	40,000	93,412 2 2	9,954 14 11	18,510 2 7	28,464 17 6	64,947 4 8
October -	74,915 15 1	- -	74,915 15 1	5,332 11 2	14,133 3 2	19,465 14 4	55,450 - 9
November	61,762 14 5	40,000	101,762 14 5	10,002 12 1	10,390 6 8	20,392 18 9	81,369 15 8
December	87,584 17 6	- -	87,584 17 6	9,184 3 1	8,431 7 11	17,615 11 -	69,969 6 6

In order that this Statement may convey a correct view of the two Funds, I feel it my duty to submit the subjoined Analysis, as properly belonging to the "Ways and Means" of December 1840, and as being in accordance with a similar Statement submitted by me at the end of the year 1839 to the then Commissioners.

Analysis of the Surplus at the end of the Year 1840:

	£. s. d.
Surplus upon the Emigration Fund - - - - - - - - -	27,566 7 7
Ditto - - Revenue Fund - - - - - - - - -	42,402 18 11
TOTAL, as above - - - - £.	69,969 6 6

	£. s. d.
Assuming that the Loan of 120,000 *l.* had been raised, the amount of Debt due from the "Revenue Fund" to the "Emigration Fund," on the 31st December 1840, would have been - - - - - -	44,304 12 -
And there would have remained in hand upon the Revenue Fund on the 31st December 1840 (as stated above) the sum of -	42,402 18 11
Showing a deficiency of Assets to pay the Debt then due to the Emigration Fund of - - £	1,901 13 1

South Australian Colonization Office,
9, Park-street, Westminster, 25 March 1841.

Joseph Jackson, Accountant.

(B.)

MONTHLY STATEMENT of WAYS and MEANS for the Year 1840, on the assumption of a Loan of £.120,000 having been raised in June, payable Monthly, by Six equal Instalments, commencing on the 1st of July; and also on the assumption that no Emigrant Ship was dispatched after August.

	ASSETS AT THE DISPOSAL OF THE COMMISSIONERS.			CLAIMS DUE, AND SUPPOSED TO BE PAID DURING THE MONTH.			
MONTH.	Balance which would have been in Hand at the Commencement of the Month.	Sums known to be Receivable during the Month.	TOTAL.	REVENUE.	EMIGRATION.	TOTAL.	Estimated Surplus at the End of the Month.
1840:	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
January -	74,435 2 6	- -	74,435 2 6	1,284 12 11	13,467 1 6	14,751 14 5	59,683 8 1
February -	63,995 14 8	- -	63,995 14 8	1,572 7 4	7,560 12 9	9,133 - 1	54,862 14 7
March -	78,731 18 7	- -	78,731 18 7	7,900 4 10	13,406 9 -	21,306 13 10	57,425 4 9
April -	63,604 7 9	- -	63,604 7 9	3,577 1 1	11,830 12 10	15,407 13 11	48,196 13 10
May -	54,848 6 5	- -	54,848 6 5	3,630 8 7	10,468 1 7	14,098 10 2	40,749 16 3
June -	51,375 18 5	- -	51,375 18 5	10,205 11 4	11,806 11 11	22,012 3 3	29,363 15 2
July -	37,272 2 10	20,000 - -	57,272 2 10	7,571 - 5	11,620 4 5	19,191 4 10	38,080 18 -
August -	52,841 18 1	20,000 - -	72,841 18 1	17,378 4 8	18,555 4 5	35,933 9 1	36,908 9 -
September	53,412 2 2	20,000 - -	73,412 2 2	9,954 14 11	16,760 2 7	26,714 17 6	46,697 4 8
October -	56,665 15 1	20,000 - -	76,665 15 1	5,332 11 2	12,383 3 2	17,715 14 4	58,950 - 9
November	65,262 14 5	20,000 - -	85,262 14 5	10,002 12 1	8,640 6 8	18,642 18 9	66,619 15 8
December	72,834 17 6	20,000 - -	92,834 17 6	9,184 3 1	8,431 7 11	17,615 11 -	75,219 6 6

See Remarks subjoined to Statement marked (A.)

South Australian Colonization Office,
9, Park-street, Westminster, 25 March 1841.

Joseph Jackson, Accountant.

STATEMENT showing the DEBT Chargeable upon the Revenues of the Colony, which would be due in *England* on the 1st May 1841, upon the assumptions contained in the Return of Ways and Means for the Year 1840, marked (A.), required by Colonel *Torrens*, and providing also for the Bills which have been estimated in the Returns made to the House of Commons.

	£. s. d.
Balance due to the Emigration Fund on the 31st December 1840 - - - - - - - - - -	44,304 12 -
Bills which are not included in the Returns above referred to, and which have either been presented or are estimated to have been drawn in the colony and not yet presented, as by statements submitted to the House of Commons - - - - - - - - - - - - - - - - - -	79,647 16 1
Other claims upon the Revenue Fund to the 1st May 1841 - - - - - - - - - -	17,978 13 5
	141,931 1 6
Deduct Balance in hand on the 31st December 1840, as per Statement of Ways and Means for 1840 - -	42,402 18 11
Which leaves a Debt not represented by Bonds amounting to the sum of - - - - - - - -	99,528 2 7
Amount of Debt in 10 per cent. Bonds - - - - - - - - - - - - - - - -	39,000 - -
Ditto - - 6 — Annuity Bonds - - - - - - - - - - - - - -	46,800 - -
Ditto Bonds for the New Loan - - - - - - - - - - - - - - -	120,000 - -
Total Debt in England 1st May 1841, chargeable on the Revenues of the Colony - - - £.	305,328 2 7

South Australian Colonization Office,
26 March 1841.

Joseph Jackson, Accountant.

Paper, No. 17.

—(No. 1.)—

(No. 1.)
R. Torrens, Esq. to Lord John Russell, 15 Dec. 1840.

South Australian Commission,
15 December 1840.

My Lord,

I request permission to explain the circumstances under which I have become possessed of land in South Australia, and to submit for your Lordship's consideration, whether these circumstances be such as to require the tender of my resignation as one of the Colonization Commissioners.

The peculiar circumstances under which the colony of South Australia was established, rendered it a matter of necessity, rather than of choice, that persons connected with its government should take a proprietary interest in its soil. The most formidable difficulty which the commissioners had to encounter, upon entering upon their functions, was the fulfilment of the provision of the Act of Parliament, which required that before any steps could be taken towards founding the colony, a preliminary sale of its waste lands should be effected in this country to the amount of 35,000 *l.* To surmount this difficulty required extraordinary exertions; and it was found necessary to resort to new and unusual expedients in order to effect preliminary sales to the required amount. One of these expedients was to encourage all persons connected with the commission, or with the future government, to become purchasers of land. At a Board held on the 4th of July 1835, the following resolution was adopted: "That each officer, except the governor, be required, as a condition of his appointment by the Board, or recommendation to the government, to purchase land in the colony at the rate of 500 acres for every 100 *l.* of salary."

It was found impracticable to carry this resolution into full effect, and it was rescinded at a subsequent Board held on the 14th of July following; but the principle which it involved was so far acted upon, that those candidates for appointments in the colony who became purchasers of land were considered, personal fitness being equal, to have a preferable claim. The governor, the resident commissioner, the colonial secretary, the colonial treasurer, with other officers, became purchasers of preliminary land orders. But this was still insufficient. Though the commissioners commenced their operations in May, yet the preliminary sales were not completed to the requisite amount until December. On the 2d of that month the Board received a communication to the effect, that the colonial treasurer and several other officers had addressed a letter to the bankers, Messrs. Esdailes & Co., and Messrs. Curries & Co., engaging to purchase from the commissioners such of the preliminary land orders as might not be paid up by the 24th of the month; and that on receiving this guarantee, the bankers had each carried 4,500 *l.* to the credit of the trustees of the land fund, and thus completed the investment of 35,000 *l.* required by the Act.

It was under the urgent circumstances now detailed, that I also consented to take a contingent personal interest in the land sales. To contribute to the utmost of my power in overcoming a difficulty, which at one time appeared almost insuperable, and at the same time to encourage others by showing that I was not afraid to participate in the hazards of the novel enterprize in which I advised them to embark, I resolved to incur a personal liability to the extent of 1,000 *l.* in promoting the completion of the preliminary sales; and, not having that sum at immediate command, I prevailed upon my friends to become purchasers of preliminary land orders, upon the understanding that I was to be responsible to them for returning, with interest at 5 per cent., the money they advanced. An understanding to this effect was entered into in June 1835, and in July 1838 I fulfilled my engagement by paying the money, and receiving from my friends the land orders which they had purchased from the Board.

Vide Paper, No. 9, delivered to the Committee by G. F. Angas, Esq. on the 4th March 1841, in Appendix, p 197.

When, in July 1838, I became possessed of preliminary land orders in the manner just described, I was altogether unaware of the purport of a letter addressed by Mr. Stephen to the commissioners on the 22d of October 1835, and laying down the principle "That no commissioner who has acquired any personal interest in any contract entered into with the Board can any longer continue a member, but must be regarded as thenceforth disqualified to act in that capacity, and will be expected to tender an immediate resignation." A period of nearly three years elapsed between the date of Mr. Stephen's letter and my acceptance of the land orders; and occupied as I was during the whole of that period with complicated business, and extensive and varied correspondence, the terms and scope of the instruction which that letter conveyed escaped my recollection. The impression left upon my mind was, that Lord Glenelg's instruction was applicable to the future, and not to the past; that it interdicted the purchase of land by the commissioners for the time to come, without interfering with the fulfilment of engagements made by them with private parties prior to its announcement.

In this view of the subject I was not singular. Previous to the receipt of Mr. Stephen's letter, one of my late colleagues had, like myself, engaged to aid the fulfilment of the conditions of the Act of Parliament by a pecuniary advance, and, subsequently to the receipt of that letter, made his engagement good. I believe nothing could more surprise the gentleman to whom I allude, than to be told that by so acting he had violated the instructions of the Secretary of State.

I have

(No. 1.)
R. Torrens, Esq. to Lord John Russell, 15 Dec. 1840.

I have uniformly acted upon the impression that Lord Glenelg's instruction had reference to the future, and not to the past. While abstaining from those further purchases of land, which, as my confidence in the success of the colony progressively increased, I should, had I felt myself at liberty to do so, have been so desirous to effect, I avowed as a legitimate transaction, violating no instruction, and under the circumstances praiseworthy rather than the reverse, the acquisition of preliminary land orders in completion of engagements made with private parties, and in order to aid the establishment of the colony before any injunction to the contrary had been issued.

I might refer to my habitual language on the subject, and particularly to a conversation held with Mr. Villiers soon after his appointment to the commission, for a confirmation of the fact, that I acted under the conviction that the instruction of Lord Glenelg, respecting the purchase of land by the commissioners, had reference to the future, and not to the past; and I may venture to add, that the circumstances themselves involve a species of internal evidence testifying to the same. Had I known that my acquisition of land in the colony was incompatible with my seat at the Board, and had I, with this knowledge, aimed at the retention of both, concealment would have been sought, and as the land orders had not been purchased from the Board in my name, could have been without difficulty secured. My undisguised and public avowals of my possession of the land, and my strongly expressed desire to retain my position at the Board, supply a full presumptive proof that I could not have been aware that the principle laid down in Mr. Stephen's letter was applicable to my case. When, on Saturday last, I became acquainted with the real import of that letter, the propriety of addressing the present communication to your Lordship struck me instantaneously.

In incurring a personal liability in order to advance the preliminary sales, I was actuated by a strong desire to contribute, to the utmost of my power, towards overcoming the formidable difficulty with which, upon first entering upon its functions, the commission had to contend. In fulfilling, in July 1838, the original engagement made with my friends in 1835, and thus becoming the proprietor of the preliminary land orders which I had prevailed upon them to purchase from the Board, I acted upon the impression, that the instruction contained in Mr. Stephen's letter of 22d October 1835 did not apply to the completion of contracts entered into previous to its date. The selection of the preliminary land orders, thus obtained, was determined at the public and general lottery held in the colony; they were chosen in the surveyed districts; they were not included in any of the special surveys; and up to the present time I have realized no pecuniary advantage from them whatever. Part of the land I gave to my son, who has gone out to the colony; ten acres of brick earth adjoining the park, I have given for the erection of a church. When offered a large sum for one of my sections by a capitalist proceeding to the colony, I refused to accept his proposal, but gave him the option of becoming the purchaser after he had seen the section, and resided for six months in the colony; and, when the recent crisis came, apprehending that he might have availed himself of this option during the period of speculative prices, I wrote out releasing him from any contract which he might have entered into with the person authorized to put him in possession of the land.

Such being the facts, I venture to indulge the hope, that even though it should be considered that the re-purchase which I made in fulfilment of my original engagement, forms a contract with the Board bringing me within the scope of Lord Glenelg's instruction, and requiring the acceptance of my tendered resignation, I may yet be honoured by your Lordship's approval for having laboured with disinterested zeal, and perhaps with some success, in the performance of an important public service. Though I have no claim to the authorship of the plan of colonization adopted in South Australia, yet I was one of the first to advocate in my place in Parliament, and by subsequent publications, its leading principle, that the cost of emigration from this country may be defrayed by the value which immigration into the colonies confers upon the land; and though the plan has broken down through causes which the Parliamentary Inquiry will explain, yet the principle of making the land support the emigration has been experimentally established. The systematic application of this principle throughout the British colonies will produce results, the magnitude of which can scarcely yet be seen, and will leave a record not to be effaced, of the minister by whom this great improvement has been effected.

Should your Lordship be of opinion, that the circumstances now detailed require the acceptance of the resignation which I herewith tender, I would beg permission to request a favour not inconsistent with the course adopted in a similar case. In accepting the resignation tendered by Mr. Angas, in consequence of his having entered into contracts with the Board in his character of chairman of the South Australian Company, Lord Glenelg requested the continuance of that gentleman's services on the commission for a period not exceeding six months. Mr. Angas accordingly attended the Board for about that time, and took part in its proceedings. I desire exceedingly to remain in office until the close of the Parliamentary Inquiry; and should my resignation be now accepted, your Lordship would confer on me a most acceptable obligation by permitting me to do so.

I have, &c.
(signed) *Robt. Torrens.*

The Right Hon. Lord John Russell,
&c. &c. &c.

(No. 2.)
Lord John Russell to R. Torrens, Esq. 30 Dec. 1840.

— (No. 2.) —

Sir, Downing-street, 30 December 1840.

I HAVE received your letter of the 15th instant, explaining the circumstances under which you have become possessed of land in South Australia, and tendering the resignation of your office as one of the commissioners for the colonization of that province, in the event of my considering the circumstances such as to render that measure necessary.

After attentively considering the terms of the letter which, on the 22d of October 1835, was addressed by direction of Lord Glenelg to the Colonization Commissioners, in reference to the case of Mr. Angas, in consequence of which that gentleman retired from his place at the Board, I find it impossible to avoid the conclusion, that under the circumstances which you have explained to me, your own retirement is unavoidable, in consequence of your continued possession of a personal interest in a contract entered into with the Board of Commissioners. I am therefore compelled to accept the tendered resignation of your office. But, as in the case of Mr. Angas, Lord Glenelg permitted that gentleman to retain his seat at the Board for three months subsequently to the period from which his resignation was accepted, I have no objection to the postponement for the same time, in your case, of the period from which your own retirement will be dated.

It is not without much regret that I thus yield to the necessity which will deprive Her Majesty's Government of the advantage which might otherwise have been derived from your experience and ability in the conduct of these affairs, and I wish to be distinctly understood as not intending to impute any blame to you for the conduct which you have observed in regard to the land of which you are the proprietor in South Australia. I view your case in the same light as that in which Lord Glenelg viewed the case of Mr. Angas, that is, as one in which it is indispensable to act upon a general principle, without the very slightest reflection on the officer in whose person that principle is enforced.

I have, &c.
Colonel Torrens, &c. &c. (signed) *J. Russell.*

(No. 3.)
R. Torrens, Esq. to Lord John Russell 4 January 1841.

— (No. 3.) —

South Australian Commission,
My Lord, 4 January 1841.

I HAVE the honour to acknowledge the receipt of your Lordship's letter, accepting, after the expiration of three months, the tender of my resignation as a member of the South Australian Colonization Commission. While I cannot but regret the prospect of disconnexion with the Board over which I have presided from its first formation, I bow, as it becomes me to do, to your Lordship's decision.

I trust that I am correct in concluding, from the tenor of your Lordship's letter, that, while my resignation as a member of the South Australian Commission is accepted, my more extended and important functions, as a member of the Colonial Land and Emigration Board, are not withdrawn. Though my original acquisition of land in South Australia brings me within the terms of the letter of the 22d October 1835, subsequently addressed by the direction of Lord Glenelg to the Colonization Commissioners, yet such acquisition, even upon the widest interpretation of the terms of that letter, could not, as I conceive, be fairly considered as disqualifying me from serving on a commission appointed, not for South Australia, but for the other colonies. Nevertheless, to persons not fully acquainted with all the circumstances, there might be an apparent connexion between the separate functions, hazardous at some future time to the security of my position. Under this apprehension, I beg permission to request that your Lordship may be pleased to cause a record to be made, setting finally at rest the question whether the possession of land in South Australia can be considered as a disqualification for the important office to which your Lordship has appointed me, for administering the public land and emigration of the other British colonies.

I have, &c.
The Right Hon. Lord John Russell, &c. (signed) *Robert Torrens.*

(No. 4.)
Lord John Russell to R. Torrens, Esq. 11 January 1841.

— (No. 4.) —

Sir, Downing-street, 11 January 1841.

I HAVE received your letter of the 4th instant requesting that I would cause a record to be made, setting finally at rest the question whether the possession of land in South Australia can be considered as a disqualification for the office of a commissioner for the management of the lands of the Crown in the other British colonies, and the emigration to them.

In compliance with your wishes, I have therefore to state, that I do not consider the mere circumstance of your holding land in South Australia as a disqualification for your retaining your place in the more general commission of which you are a member. On the other hand, it does appear to me that your resignation of your place at the South Australian Board must involve as an unavoidable consequence your retirement from the general

general commission, because it would be contrary to the principle on which the two commissions have been consolidated, that any person should be a member of the one who, for whatever reason, is disqualified from acting as a member of the other.

(No. 4.) Lord John Russell to R. Torrens, Esq. 11 January 1841.

I have, &c.

Colonel Torrens, &c. &c. &c. (signed) *J. Russell.*

—(No. 5.)—

South Australian Commission,
13 January 1841.

My Lord,

I HAVE the honour to acknowledge the receipt of your Lordship's letter of the 11th instant, informing me that the circumstance of my holding land in South Australia is not considered as a disqualification for my retaining my place at the more general commission; but that it appears to your Lordship that my resignation of my place at the South Australian Board renders unavoidable my retirement from the general commission in consequence of the consolidation of the two commissions. As there are two points connected with this subject which have not hitherto been adverted to, I would now request to be permitted to bring them under your Lordship's consideration.

(No. 5.) R. Torrens, Esq. to Lord John Russell, 13 January 1841.

My experience of the working of the system leads me to infer, that the result of the Parliamentary Inquiry may be a recommendation to repeal the Act constituting a separate commission for South Australia, and to assimilate that colony with the other Australian settlements under the General Land and Emigration Board. Under this impression, may I be allowed to inquire whether, in the event of the abolition of the South Australian Commission, the disqualification for continuing a member of it will be considered as a disqualification for retaining my place at the General Board.

Your Lordship has decided, and to the decision I respectfully bow, that my retirement from the South Australian Commission is unavoidable in consequence of my continuing to possess a personal interest in a contract made with the Board of Commissioners. It is my intention to divest myself of the land which I hold in South Australia; and I would therefore beg permission further to ask, whether, in the event of my being able to assure your Lordship that I no longer continued to possess a personal interest in a contract made with the South Australian Board, the disqualification would be considered as ceasing with the removal of its cause.

Requesting indulgence for this renewed intrusion,

I have, &c.

The Right Hon. Lord John Russell, &c. (signed) *Robt. Torrens.*

—(No. 6.)—

Downing-street, 19 January 1841.

Sir,

I HAVE received your letter of the 13th instant, in which you inquire whether, "in the event of the abolition of the South Australian Commission, the disqualification for continuing a member of it will be considered as a disqualification for retaining your place at the General Board." To this question I must postpone making any answer, until after the proposed Parliamentary Committee on the affairs of South Australia shall have closed their inquiries.

(No. 6.) Lord John Russell to R. Torrens, Esq. 19 January 1841.

You next inquire whether, in the event of your "being able to assure me that you no longer continued to possess a personal interest in a contract with the South Australian Board, the disqualification would be considered as ceasing with the removal of its cause." To this question I answer, that the mere circumstance of your now divesting yourself of the land which you acquired in South Australia would not induce me to revoke, or modify, the decision which I have already communicated to you.

I have, &c.

Colonel Torrens, &c. &c. &c. (signed) *J. Russell.*

—(No. 7.)—

9, Park-street, Westminster,
24 March 1841.

My Lord,

I BEG permission to request that your Lordship may be pleased to extend the time for the acceptance of my resignation as a member of the South Australian Board, until the Parliamentary Committee on the affairs of the colony shall have terminated its inquiry. The grounds upon which I venture to urge this request I shall proceed to submit to your Lordship.

(No. 7.) R. Torrens, Esq. to Lord John Russell, 24 March 1841.

The colony of South Australia, devised by Mr. Wakefield, was planted by me. When all the other commissioners nominated by Lord Monteagle abandoned the task, I continued to persevere, and with the sanction of Lord Aberdeen, and of Lord Glenelg, organized a new commission for carrying the Act of Parliament into effect. The planting of 15,000 settlers in South Australia was the result of my exertions; and these 15,000, whom I urged from their homes, have been overtaken by a disaster endangering their welfare, perhaps their lives. Under the heavy responsibility pressing upon me, I felt it to be impossible to abstain from establishing the fact that the disaster would not have

(No. 7.)
R. Torrens, Esq. to Lord John Russell, 24 March 1841.

occurred if my measures had not been overruled. I have pledged myself to the Committee to demonstrate, that if a loan had been raised in June 1840, when it might without difficulty have been obtained, the crisis would have been averted until Parliament could have interfered. In order to redeem this pledge, it is essential that I should continue to have the accounts and correspondence of the commissioners at my command, and to have authority over the affairs of the establishment. These are the circumstances under which I solicit your Lordship to postpone my retirement from the South Australian Board until the inquiry of the Parliamentary Committee shall have closed.

I have, &c.
(signed) *Robert Torrens.*

The Lord John Russell,
&c. &c.

—(No. 8.)—

(No. 8.)
J. Stephen, Esq. to R. Torrens, Esq. 31 March 1841.

Downing-street, 31 March 1841.

Sir,

I AM directed by Lord John Russell to acknowledge the receipt of your letter of the 24th instant, and to acquaint you in reply, that under all circumstances his Lordship consents to extend the period of your final resignation of your office as a member of the South Australian Commission until the Parliamentary Committee on the affairs of South Australia shall have terminated its inquiry.

I have, &c.
(signed) *Jas. Stephen.*

Colonel Torrens, &c. &c. &c.

Paper, No. 18.

COPY of a MEMORIAL delivered in by *E. G. Wakefield,* Esq. on the 30th March 1841.

Memorial of Bankers, Merchants, &c. to Lord John Russell. March 1841.

London, March 1841.

My Lord,

WE, the undersigned bankers, merchants, shipowners, manufacturers, and others, interested in the colony of New South Wales, are desirous of respectfully soliciting your Lordship's attention to the following statement of the views with which we propose to form an association, through the operations of which the further settlement of that important colony, and the more effectual developement of its great resources will be promoted.

We have been mainly induced to entertain these views, by the indications which your Lordship's official acts have given of a more comprehensive, sound, and consistent policy than has hitherto directed the administration of colonial affairs. The formation of such associations as that which we contemplate, appears indeed to us an essential part of the system of colonization which your Lordship has sanctioned by your instructions to the Colonial Land and Emigration Commissioners. While it is the fitting function of a wise and benevolent government to exercise a controlling authority over the emigration of its people, and the settlement of its colonial possessions, to fix and maintain the principles on which the disposal of the public lands is to be conducted, and to watch with jealous care the minutest details of those arrangements on which the comfort and even existence of the emigrant depend, the business of carrying these purposes into effect, of making known the value of colonial lands, of inviting purchasers, of collecting emigrants, and of providing the means for transporting great numbers to the most eligible spots, can only be efficiently performed by individuals or companies, conducting their affairs according to mercantile habits, and animated by the stimulus of mercantile gain. We believe, therefore, that we are carrying out your Lordship's views of a sound system, when we propose to effect those operations of colonization which a Government Board may usefully superintend, but can never efficiently execute.

It is peculiarly desirable that all the provisions of this improved system should be extended to New South Wales; and that this colony, in addition to the advantages resulting from the superintendence of a Land and Emigration Board, from a sufficient and uniform price of land, and from the employment of the land fund in promoting the emigration of well-selected labourers, should enjoy those which can best be obtained through the operations of a powerful and active association engaged in the business of colonization. There is, perhaps, no possession of the British Crown where the full and perfect application of the improved system, together with the agency of such an association, is more wanted, and in which greater facilities are presented for their operations. The extent of land there, available for beneficial settlement of the most safe and profitable kind, may be fairly said to be unlimited, and fortunately that land is peculiarly fitted for the raising of an exportable produce, for which the mother country furnishes an ample and steady demand, as the raw material of one of its great staple manufactures. The wealth of the colony, in fixed and floating capital, in proportion to the population, is certainly without a parallel in the history of colonies; the amount of import and export trade actually far exceeds that of England itself, in proportion to number of people; the colony has arrived at that scale of population, in which additional numbers may be received with the utmost ease and advantage; and a great previous outlay has supplied ample means for the maintenance and employment of a great number of emigrants.

But

Memorial of Bankers, Merchants, &c. to Lord John Russell, March 1841.

But the exigencies of the colony in respect of labour are quite as great as the facilities offered for its employment. The supply of labour has not for years past kept pace with the large demands which have been made by the rapid prosperity of New South Wales. Owing to the insufficiency of the supply of labour, the extension of its staple production has been greatly checked, and the maintenance of that production is placed in imminent jeopardy; the supply of the most essential articles of consumption has been rendered precarious, and the most necessary operations of improvement have been prevented or inefficiently executed. A great, though unavoidable, aggravation of this evil has been occasioned by the change recently accomplished by your Lordship in the economy of the colony. The abolition of transportation to New South Wales, and the consequent deprivation of convict labour, render more urgent the adoption of some efficient measure for the large and steady supply of free labour to the colony.

The establishment of a powerful association, the effect of whose operations will be to supply New South Wales with labour, is therefore most desirable; and in the improved value which land attains in a colony of such vast resources, by the introduction of people into it, we see a full security for its success, provided that the Government should enforce general principles of colonization, which we regard as absolutely essential to a favourable result, whether for the company or the public.

No measure of colonization can be undertaken with confidence, or carried out with steadiness, unless those who engage in it can feel assured that Her Majesty's Government are disposed to give uniformity and permanency to the principles of colonization laid down in your Lordship's instructions to the Commissioners of Land and Emigration; at least that the price of land therein stated, should be fixed as a minimum. It is not necessary that we should be at any pains to point out to your Lordship how essential the conditions of uniformity and permanency are to the beneficial operation of the principle there laid down. To put a high price on land sold at one time and one place, while at other times and places it is given away or sold for an inadequate price, would be merely an useless and palpable injustice to one, and an unwarrantable favour to another set of grantees.

In the next place, it is of importance to those embarking their capital in an enterprize such as that contemplated by us, that the principle of extending the whole proceeds of land sales exclusively to the introduction of labour into the colony should be applied, not only to the purchases effected by ourselves, but, generally, to all which may be made of land in New South Wales. If this principle be loosely or partially adopted, those whose money is thus applied will be, in fact, importing labour for the benefit of estates which have not contributed to the common object. At present, however, the utmost uncertainty and irregularity prevail on both points.

Without some further guarantee for the full and permanent application to the Australasian colonies of those principles which have met with your Lordship's approval, the proposed association could not invest its capital, with any security against the depreciation of its property, by subsequent sales to others at inadequate prices, or, which is of equal importance, with any security for the application of the purchase-money of the lands of the colony to those objects, on the attainments of which we believe that the success of our enterprise would entirely depend.

It is not from any wish to avail ourselves of your Lordship's natural inclination to encourage such enterprises as that which we contemplate, that we have been induced to bring under the notice of the Government our ideas of the right system that should be adopted with regard to the public lands, and to put these forward as points on which we request an assurance of the policy which Government is prepared to follow out.

Your Lordship will see that the results of any large purchase in colonial lands, or of any extensive operations for the promotion of emigration, must be materially affected by the system pursued by the Government with respect to the subjects in question; and that to ask for some assurance of the adoption of what we regard as a sound system, is a duty which we have to discharge before we invest our own property, or invite others to embark theirs, in the enterprize which we contemplate.

We trust that your Lordship will not be disposed to look unfavourably on the general principles of colonization here adverted to, the adoption of which we deem essential to the success of the projected company; and in the hope that your Lordship will give them that sanction to which we venture to think that their soundness and beneficial tendency entitle them, we have already made some progress in preparing the plan and means by which we propose to assist in giving them large and immediate effect.

We propose to form a company, for the purpose of buying and selling land in New South Wales, and of conveying young emigrants, of both sexes, to the colony. As the Government would, we trust, find in us an efficient instrument of colonization, we calculate upon its encouraging us to purchase land in large quantities; and, with a view to facilitate our operation, on its allowing us to survey waste lands for ourselves, with a deduction on that account from the purchase-money.

The purchase-money to be laid out in emigration, either by the Government, or, which would probably be found preferable, by the company, under the supervision of the Land and Emigration Commission.

Awaiting your Lordship's answer to this communication, to enable us to take those steps which remain requisite for carrying our views into practical effect,

We have, &c. &c.

To the Right hon. Lord John Russell, M. P. &c.
Colonial Office, Downing-street.

Paper, No. 19.

PAPERS delivered in by Colonel *Robert Torrens*, Tuesday 30 March 1841.

Papers delivered in by Col. Torrens, 30 March 1841.

FINANCIAL STATEMENT, showing the Amount of the FUNDS which would have been in the hands of the Commissioners on the 1st of January, the 1st of February, and the 1st of March 1841, after the Payment of all Liabilities fallen due up to the first of each of those Months, and on the assumption that a Loan of £.120,000 had been contracted for in June 1840, and that Three Emigrant Ships of the ordinary class had been dispatched in the Autumn of that Year.

FUNDS which would have been in the hands of the Commissioners after having paid all Liabilities fallen due.

DATE.	REVENUE FUND.	£. s. d.
1841: 1 January -	Amount in hand - - - - - - - -	9,757 1 11
— 1 February -	Amount of Deficiency - - - - - - -	13,060 3 11
— 1 March -	Amount of Deficiency - - - - - - -	17,519 1 5

DATE.	EMIGRATION FUND.	£. s. d.	Total in hand. £. s. d.
1841: 1 January -	Amount in hand - - - - - -	64,915 10 1	74,672 12 –
	Ditto - Revenue Fund - -	9,757 1 11	
	Total in hand - - - £.	74,672 12 –	
1 February -	Amount of surplus - - - - -	61,813 17 2	48,753 13 3
	Deduct deficiency in Revenue Fund -	13,060 3 11	
	Amount remaining in hand - - - £.	48,753 13 3	
1 March -	Amount of surplus - - - - -	57,533 16 7	40,014 15 2
	Deduct deficiency in Revenue Fund -	17,519 1 5	
	Amount remaining in hand - - - £.	40,014 15 2	

South Australian Colonization Office, 30 March 1841.

Joseph Jackson, Accountant.

(B.)

FINANCIAL POSITION, January to June 1840.

DATE.		LIABILITIES. £. s. d.	ASSETS. £. s. d.	SURPLUS. £. s. d.
1840: 1 January -	As per former statement	43,726 15 5	73,863 12 3	30,136 16 10
	Received during January	- - -	867 12 3	
	Debts incurred ditto -	9,060 4 3		
	Totals - - - £.	52,786 19 8	74,731 4 6	
	Paid during January -	6,916 9 8	6,916 9 8	
1 February -	Totals - - - £.	45,870 10 –	67,814 14 10	21,944 4 10
	Received during February	- - -	15,634 14 3	
	Debts incurred ditto -	7,334 10 –		
	Totals - - - £.	53,205 – –	83,449 9 1	
	Paid during February -	1,682 11 1	1,682 11 1	
1 March -	Totals - - - £.	51,522 8 11	81,766 18 –	30,244 9 1

Papers delivered in by Col. Torrens, 30 March 1841.

Date.		Liabilities.	Assets.	Surplus.
		£. s. d.	£. s. d.	£. s. d.
1840:	Received during March -	- - -	877 16 1	
	Debts incurred ditto -	9,805 9 6		
	Totals - - - £.	61,327 18 5	82,644 14 1	
	Paid during March -	15,527 7 11	15,527 7 11	
1 April -	Totals - - - £.	45,800 10 6	67,117 6 2	21,316 15 8
	Received during April -	- - -	6,332 4 4	
	Debts incurred ditto -	15,581 16 4		
	Totals - - - £.	61,382 6 10	73,449 10 6	
	Paid during April -	9,663 10 10	9,663 10 10	
1 May -	Totals - - - £.	51,718 16 –	63,785 19 8	12,067 3 8
	Received during May -	- - -	1,183 18 4	
	Debts incurred ditto -	9,797 19 6		
	Totals - - - £.	61,516 15 6	64,969 18 –	
	Paid during May - -	9,863 – 8	9,863 – 8	
1 June -	Totals - - - £.	51,653 14 10	55,106 17 4	3,453 2 6

N. B.—Bills drawn from the Colony amounting to the sum of 15,520 *l.* 3 *s.* 2 *d.* were presented and accepted in the month of June.

Joseph Jackson,
Accountant.

STATEMENT showing the Debt chargeable upon the Revenues of the Colony, which would be due in *England* on the 1st May 1841, "Assuming the Expenditure as per 'Ways and Means' for 1840, marked (A.), and that the Loan of 155,000*l.* is received from the Government, instead of the Loan of 120,000 *l.* as assumed in that Statement," and providing also for the Bills which have been estimated in the Returns made to the House of Commons.

		£. s. d.
Balance due to the Emigration Fund on the 31st December 1840 - -		97,840 8 10
Bills which have either been presented or are estimated to have been drawn in the Colony, and not yet presented, as by Statements submitted to the House of Commons - - - - - - - - - - - -		102,649 14 1
Other claims upon the Revenue Fund, to the 1st May 1841, unpaid - -		14,650 6 8
Total of the above Unpaid - - - £.		215,140 9 7
Deduct Cash in hand - - - - - - - - £.	387 7 –	
Loan from the Government - - - - - -	155,000 – –	
		155,387 7 –
Which leaves a Debt not represented by Loan - - - £.		59,753 2 7
Add Loan on 10 per cent. Bonds - - - - - - - - -		39,000 – –
Loan on 6 per cent. Bonds - - - - - - - - -		46,800 – –
Loan from the Government - - - - - - - - - -		155,000 – –
Total Debt in England, on 1st May 1841, chargeable on the Revenues of the Colony - - - - - £.		300,553 2 7

South Australian Colonization Office,
30 March 1841.

Joseph Jackson,
Accountant.

Paper, No. 21.

Sir George Gipps to Lord J. Russell, 27 Oct. 1840.

COPY of a DESPATCH from Governor Sir *George Gipps* to Lord *John Russell.*

(No. 170.)

Government House, Sydney,
27 October 1840.

My Lord,

IN my despatch of the 11th April last, (No. 56,) I detailed to your Lordship (whilst reporting on the case of the Messrs. Henty) the circumstances under which I considered that it would shortly be necessary to form a government establishment at Portland Bay; and in that part of my despatch of the 28th September last (No. 139,) which relates to the south-western parts of this colony, I alluded to the circumstances under which a town had been laid out at Portland Bay, and the first allotments of land advertised for sale on the 15th of the present month; as an appendix to the last-mentioned despatch, I also forwarded the report which was made to me on Portland Bay and the adjoining country, by the surveyor (Mr. Charles Tyers) who had been employed there.

As the sale of these allotments took place at Melbourne on the 15th instant, I have not yet received an official account of it; but I learn, from authentic sources, that 337 acres offered for sale, produced the sum of 17,245 *l.* 10 *s.* 5 *d.*, being at the average rate of more than 50 *l.* per acre.

The sale included 20 acres of building land in the proposed town, which sold at the rate of 551 *l.* 6 *s.* per acre; 50 acres of land fit for gardens, or the erection of villas, in the immediate neighbourhood of the town, which produced 64 *l.* per acre, and 267 acres of land fit for cultivation, within the distance of two miles from the town, which sold for 11 *l.* 7 *s.* per acre.

When it is borne in mind that as yet only one house (that of Mr. Henty), exists in the place, and that the nearest government establishment is 150 miles distant, this result will, I doubt not, be considered by your Lordship as highly satisfactory; at any rate I trust it will be taken as a proof that the measures which I adopted for opening the district were not premature.

I have further to report to your Lordship, that I have appointed Mr. James Blair to be police magistrate at Portland Bay, with the same salary and allowances as were granted to Captain Lonsdale at the first opening of Port Philip, and reported in Sir Richard Bourke's despatch (No. 101,) of the 15th September 1836.

I have also appointed Mr. F. A. Powlett to be Commissioner of Crown Lands for the district between Portland Bay and Port Philip, in which grazing stations are rapidly increasing, and where unfortunately collisions between the stockmen and the aborigines have been frequent.

Mr. Blair has been for sometime a police magistrate, in a district situated between Sydney and Bathurst; and, from his experience and intelligence, is likely to give satisfaction in the performance of his duties.

Mr. Powlett, being personally unknown to me, has been appointed on the recommendation of Mr. La Trobe.

I cannot abstain from remarking to your Lordship, that had Portland Bay been opened on the South Australian principle, the produce of the sale of land now reported would have been 337 *l.*, instead of 17,245 *l.* 10 *s.* 5 *d.*

I have, &c.
(signed) *George Gipps.*

Paper, No. 23.

COPY of a DESPATCH from Lieutenant-Governor Sir *John Franklin* to Lord *John Russell.*

(No. 136.)

Van Diemen's Land, Government House,
22 October 1840.

My Lord,

Lieut.-Governor Sir J. Franklin, to Lord J. Russell, 22 Oct. 1840.

IN my despatch respecting the estimated expenditure of the Government during the ensuing year, I have adverted to the question of emigration, and in connexion with it, I have now the honour to address your Lordship upon a measure which, if entertained, will, I submit, be the means of increasing the source of revenue available for importing free labour into Van Diemen's Land.

Experience has proved that the present system of disposing of lands by auction is not calculated to secure the Crown the full value of the lots so offered for sale, whilst it induces a spirit of gambling, and creates ill-feeling between neighbouring settlers, which, at all times undesirable, is especially so in a small community.

It

Lieut.-Governor Sir J. Franklin to Lord J. Russell, 22 Oct. 1840.

It is true that this spirit, in some cases, causes the lands offered to public competition to be sold at prices far exceeding their just value, but such instances are rare; combinations to obtain land at its up-set price may be regarded as the general rule of practice of the settlers, and competition between each other the exception.

Under existing circumstances no newly-arrived capitalist can hope to purchase land from the Crown in oppositition to older settlers.

Considerable tracts of valuable soil still remain the property of the Crown, but are more or less depastured by the flocks and herds of surrounding proprietors, and your Lordship is probably aware that the value of many estates in this colony depends upon the extent of what is termed their "back runs," which are frequently Crown property.

If any portions of these are put up for sale, a stranger is not allowed to become the purchaser at any price. In general, however, two neighbouring proprietors are interested in each lot of land put up, when an understanding is come to, by which, whatever private arrangement may be made between them, the Crown seldom realizes more than the minimum price.

As an example of this, I may mention that at a recent sale, when 21,000 acres were exposed for sale, those lands only were purchased which, having been applied for before the minimum price was raised to 12*s.*, were put up at 5*s.* an acre, and the average of the sale did not exceed 9*s.* 7½*d.* an acre. Those lots which were offered at 12*s.* an acre were not even bid for.

On the other hand, the few remaining unlocated orders for land are eagerly sought after, and readily realize upwards of 20*s.* an acre; the settlers who are anxious to secure particular tracts gladly giving such prices.

I am fully convinced that the system of selling Crown lands at a fixed price is the mode best calculated to obtain on the average their real value; I was, therefore, glad to learn from your Lordship's letter to the Land and Emigration Commissioners, of the 14th January last, that your Lordship was disposed to entertain the same view; but with regard to those colonies in which the principle of sales by auction had obtained, you seem to entertain the fear that a change would be regarded with aversion.

Such, I can assure your Lordship, would not be the case, so far as Van Diemen's Land is concerned; the settlers have been too long accustomed to the purchase of unlocated land orders. Indeed, I am more than disposed to think that the sale of land orders generally, at the fixed price of not less than 20*s.* an acre, would be regarded as a boon.

If your Lordship should be pleased to authorize the adoption of this measure, which I strongly recommend, I would also suggest that the Crown should still reserve to itself the right of putting up to public competition any portion which it might be considered desirable so to dispose of.

In like manner, I would also propose the sale of township allotments, the prices of which should be fixed by competent local authorities.

These measures, I submit to your Lordship, would be likely to induce the emigration of capitalists to our shores, a species of emigration which has entirely ceased, by creating the certainty of their acquisition of land at a definite price; would lead to the formation of new establishments on the remaining waste lands of the Crown, and would increase the means of importing free labour to the colony.

I have considered this subject in the Executive Council, and transmit the advice of the members; that of the colonial treasurer and chief police magistrate differs from that given me by the senior officer, archdeacon, and colonial secretary.

I have, &c.
(signed) *John Franklin.*

The Right Hon. Lord John Russell,
&c. &c. &c.

EXTRACT from the MINUTES of an Executive Council held at the Council-room, Hobart Town, on the 15th October 1840.

Present:—His Excellency the Lieutenant-governor, the Senior Officer of Her Majesty's Land Forces, the Venerable the Archdeacon, the Colonial Secretary, the Colonial Treasurer, the Chief Police Magistrate.

Minute, No. 61.

READ a minute on the subject of the disposal of Crown lands, by means of the sale of location orders, at a fixed price of not less than 20*s.* per acre, instead of the present mode of sale by auction, which has been found to be productive of no good results to the Government, as far as the revenue is concerned; nor to the public, inasmuch as it induces a spirit of gambling, and creates ill feeling, which, at all times undesirable, is especially so in a small community.

The Colonial Secretary advises His Excellency to recommend to the Secretary of State the adoption of the plan proposed in the minute, and that sales by auction be totally discontinued.

The Colonial Treasurer:—"I am of opinion that very great advantage indeed would accrue to the public service from the plan proposed in the minute now read.

 "I would,

Lieut.-Governor Sir J. Franklin, to Lord J. Russell, 22 Oct. 1840.

"I would, however, suggest that it might be better rather to expose for sale by auction blank location warrants for land, to such extent as the Government might from time to time deem it expedient to throw into the market. The minimum price might be retained at 12 *s.* per acre, and the public would always be certain, in consequence of the competition which would take place, to obtain the real value of the property disposed of by it.

"By adopting the course of offering location warrants for sale at a fixed price, the Government would not, I think, have it equally in its power to regulate the annual amount of sales, or to ensure the actual value being at all times obtained for the property of the public.

"The system of sales by auction of blank location warrants, would not, I submit, be liable to the strong objections which exist to the present sales by auction of blocks of land, of which objections I know of none greater than that which arises from the encouragement given by the present system to collusive arrangements between parties for the purpose of defrauding the Crown of the true value of its lands."

The Chief Police Magistrate:—"I concur with the sentiments expressed by the Colonial Treasurer, with the exception that instead of the sales taking place at uncertain times, I think they should be quarterly, in order to afford the newly-arrived emigrant an opportunity of obtaining land at an early date after his arrival; and I am fearful, that if the location orders were sold at the up-set price of 20*s.* per acre, the plan would be the means of throwing out of the market many lands that would otherwise be sold at 12*s.*, and which are not worth more, nor likely, under the existing circumstances of the colony, to increase in value,"

The Senior Officer and the Archdeacon concur with the Colonial Secretary.

LETTER from *G. F. Angas*, Esq. to Lord *John Russell.*

South Australian Company, 4, New Broad-street,
London, 16 April 1841.

My Lord,

G. F. Angas, Esq. to Lord J. Russell, 16 April 1841.

I AM desired by the Board of Directors of the South Australian Company to represent, with all respect to your Lordship, the great anxiety with which they view the present protracted suspension of labouring emigration to South Australia; and in communicating this feeling, I would refer to my opinion before the Parliamentary Committee, that the cessation of emigration had not been injurious. My intention was on no account to imply that supplies of labour should be indefinitely postponed, but that a moderate pause would be rather beneficial; that pause I consider should not exceed the space of six months.

The directors of the company beg to observe that the "Brightman," the last emigrant ship dispatched by the Colonization Commissioners for South Australia, sailed in August 1840, and were labouring emigration immediately resumed, a space of 10 months between the "Brightman's" departure and that of the next emigrant ship would intervene; while during the whole of that period many settlers of capital have proceeded to the colony, including several who are returning there for the second time. A considerable influx of capitalists is expected from the neighbouring colonies, and from India, and many settlers in South Australia are known to contemplate greatly enlarged agricultural pursuits, if they can obtain the needful labour at moderate wages.

The Board of Directors beg to tender their grateful thanks to your Lordship for the promptitude with which your Lordship interposed to avert the danger to all interested in South Australia from the non-payment of the Governor's bills, but the Board earnestly entreat the continued support of your Lordship to the speedy repayment of the amount (reported as 56,000*l.*), withdrawn from the emigration fund, and its application to the early resumption of labouring emigration.

The directors would observe that the entire emigration fund was raised because the land purchasers implicitly relied on the stipulation in the Act of Parliament, for all proceeds of land to be devoted to the supply of labour, and they further express their conviction that the colony will be seriously inconvenienced by the prolonged delay in its dispatch. Considerable anxiety is manifested by the various owners of colonial property resident in England, and intending settlers seem fearful to proceed, lest their pursuits may be frustrated by the exorbitant wages likely to be required when the labourers of South Australia see the non-arrival of other workmen.

Although the directors seek the early repayment of the whole amount due the emigration fund, they do not desire its profuse expenditure; they hope your Lordship will enable the early dispatch of about 60 couples of labourers, to be followed by a similar number every month. Upon this moderate scale the present fund would continue emigration for two years, and during that period considerable sales of land may be expected, as it is generally found that the regular dispatch of large emigrant ships promotes the investment of further capital in land. This measure would, at the same time, restore the public confidence in South Australia.

The directors further solicit your Lordship's attention to the importance of immediately empowering the Colonization Commissioners for South Australia to continue the sales of land, that intending settlers may still be enabled to procure free passages for their servants; for as the emigration season is commencing, it is very desirable that every facility should be

be given to parties proceeding to South Australia, and that employers of labour should have the same opportunity of being accompanied by their servants as they can obtain if going to other colonies. G. F. Angas, Esq. to Lord J. Russell, 16 April 1841.

The Board of Directors request me to state to your Lordship that their representations solely arise from desire for the general welfare of South Australia, as the large capital the company have embarked depends on the general success of the colony.

I have, &c.

To the Right Hon. Lord John Russell, Her Majesty's Principal Secretary of State for the Colonies.

(signed) *George Fife Angas*, Chairman.

Paper, No. 24.

South Australian Colonization Office, 7 April 1841.

Sir,

In pursuance of the desire expressed at the last meeting of the committee, we have the honour to enclose a selection of the official correspondence on the subject of the conduct of Mr. Fisher and Mr. Gilles, who held the offices of resident commissioner and colonial treasurer in South Australia. Correspondence respecting Mr. Fisher and Mr. Gilles.

We have, &c.

(signed) *Robert Torrens*,
Frederick Elliot,
Edward E. Villiers.

Right Hon. Sir George Grey, Bart. M.P. &c. &c. &c.

SCHEDULE of Despatches and Extracts of Despatches relative to Mr. *Fisher*, late Resident Commissioner, and to Mr. *Gilles*, late Colonial Treasurer in South Australia.

Name.	No. of Despatch.	Description.	Date.	Subject.
Col. Torrens, as Chairman	- -	- - - - -	23 May 1838	Mr. Fisher.
Colonel Gawler -	No. 7	Miscellaneous - -	26 Oct. 1838	ditto.
Commission of Inquiry -	- -	Report - - -	31 Jan. 1839	ditto.
Colonel Gawler - -	No. 17	Finance - - -	18 April 1839	Mr. Gilles.
Ditto - - - -	No. 20	ditto - -	29 May 1839	ditto.
Commissioners - - -	No. 100	ditto - -	18 Nov. 1839	ditto.
Colonel Gawler - -	No. 8	ditto - - -	1 Feb. 1840	ditto.
Ditto - - - -	No. 12	Commission of Inquiry -	21 Feb. 1840	Mr. Fisher.
Ditto - - - -	No. 17	Finance - - -	26 Feb. 1840.	Mr. Gilles.

Extract of a LETTER to *James Stephen*, Esq. from Colonel *Torrens*, Chairman of the Colonization Commissioners for South Australia, dated 23 May 1838.

Sir,

As Governor Hindmarsh, in his official communications addressed to the Secretary of State, has charged the resident commissioner, Mr. James Hurtle Fisher, with corrupt proceedings in the disposal of the public stores; and as the resident commissioner has, on several occasions, not only failed to comply with, but has acted contrary to, the financial instructions of the Board of Commissioners, the commissioners beg permission to request that Lord Glenelg may be pleased to direct that, on the arrival of Governor Gawler in South Australia, a commission or Board of inquiry may be appointed, for the purpose of investigating and reporting upon the conduct of the resident commissioner, as regards the disposal of the public stores and public money committed to his charge. The inquiry, as the commissioners conceive, should be principally directed to the following objects:—

1. To ascertain whether the bullocks imported from the Cape of Good Hope for the use of the colony, were disposed of to the settlers in a partial and unfair manner, at a private sale; and whether Mr. Fisher, before offering these bullocks to others, selected the best for his own use or that of his sons.

2. To inquire whether Mr. Fisher disposed of the public stores in such a way as to enable his sons or their partners in the provision trade, or any other persons, to sell at a high monopoly price, the provisions supplied by the commissioners, and ordered by them to be so distributed as to prevent an undue elevation of prices.

Correspondence respecting Mr. Fisher and Mr. Gilles.

3. To obtain evidence as to the prices at which the public stores have been sold, as to the amount received, and as to the manner in which that amount has been applied and accounted for; and to ascertain whether the quantity of stores remaining on hand, with the quantity properly issued according to the instructions of the commissioners, correspond with the whole quantity of stores committed to the charge of the resident commissioner.

4. To call for an explanation of the objects for which the enclosed list of unadvised bills were drawn, and to require vouchers for the manner in which the proceeds were applied.

The commissioners beg further to recommend that Mr. Fisher be suspended from all public functions until the result of the inquiry into his conduct shall have been reported to the Governor; and should it unfortunately appear that Mr. Fisher has been guilty of fraudulent or corrupt proceedings in the disposal of the public stores and public money, that the Governor may be authorised to remove him at once, and finally, from all official employment in the colony.

On the other hand, should there be no proof of corrupt practices, then the commissioners would recommend that Mr. Fisher may be restored to the office of registrar, and to such other functions, as assistant-commissioner, as Colonel Gawler may find it convenient to delegate to him.

EXTRACT of a DESPATCH from Colonel *Gawler* to the Colonization Commissioners for South Australia, dated 26 October 1838.

(No. 7.—Miscellaneous.)

ACCORDING to the expressed desire of the commissioners, and directions received from Lord Glenelg, I have restored Mr. Brown to the office of emigration agent, and have suspended Mr. Fisher from the exercise of all official functions. I have not yet been able to constitute a board of inquiry on the last-named officer. It is a measure involved in serious difficulties. The respectable persons in the colony from whom the Board must be chosen, have all a warmth of feeling which is scarcely known in old-established colonies, ranged in parties. Mr. Mann, the late advocate-general, (as, I suppose, Mr. Fisher's adviser,) has intimated to me that Mr. Fisher cannot be legally compelled to attend before such a Board; and Mr. Fisher has forwarded me a legal opinion, to the effect "that his appointment to the office of colonial commissioner was, according to the Act of Parliament, for life; and that the Crown has not the power of depriving him of it, but by a legal process." Mr. Fisher has not, however, resisted my exercise of the office.

On the part of all persons, of all parties, I have met with the greatest attention and respect; several intricate and pressing questions have arisen with respect to rights of landed property and tenders for land. Upon these, as well as the Board of inquiry on Mr. Fisher, I will act with decision when I can see my course clearly, and understand the characters of those around me.

EXTRACT of a REPORT, dated 31 January 1839, made to his Excellency Colonel *Gawler*, by the Commission appointed to inquire into the conduct of Mr. *J. H. Fisher*, late Resident Commissioner in South Australia.

YOUR commissioners have the honour of annexing a correct copy of the examination of the witnesses; upon which they do not consider it necessary to make any further comment, than that it is their unanimous opinion that the evidence adduced fully substantiates the charges, Nos. 1 and 2, contained in the letter of Col. Torrens, chairman of the honourable Board of Her Majesty's Colonization Commissioners for South Australia, to James Stephen, Esq., Her Majesty's Under-Secretary of State for the Colonies, dated the 23d day of May 1838.

EXTRACT of a DESPATCH from Colonel *Gawler*, Resident Commissioner in South Australia, dated 18 April 1839.

(No. 17.—Finance.)

£. 700 of this amount (2,000 *l.* of which he advised the draft) was required for the liquidation of sums overdrawn on the bank of South Australia, without my knowledge.

* * * * * * *

I am deeply anxious to lay details of past and estimates of future expenses before the commissioners; but, strange as it must appear to them, I have not been able up to this time to procure from the treasurer the mere account of receipts and expenditure up to 31st December 1838.

I fear, that with a sincere respect for many points in Mr. Gilles' character, I shall be compelled to remove him from his important office, as the first effectual step towards establishing regularity in it.

(No. 20.—Finance.)

Correspondence respecting Mr. Fisher and Mr. Gilles.

EXTRACT of a DESPATCH from Colonel *Gawler*, Resident Commissioner in South Australia, dated 29th May 1839.

I MOST sincerely hope that the treasurer's accounts of receipts and expenditure for the quarter ending 31st December 1838, and 31st March 1839, will be sent to me as promised, in time for the present mail. If they should not be forwarded to me, I think it will be necessary, after the warnings that have been given, and the orders that have issued on this subject, to suspend Mr. Gilles and Mr. Fisher from their offices.

One of my principal reasons for not taking decisive measures before, in this and other extreme cases of neglect of duty, has been the great difficulty of finding proper persons to fill public offices.

EXTRACT of a DESPATCH from the Colonization Commissioners to His Excellency Colonel *Gawler*, Resident Commissioner in South Australia, (No. 100, Finance,) dated 18th November 1839.

THE commissioners have learned with considerable regret, that out of the proceeds of the bills now advised, 700 *l.* were required for the liquidation of sums overdrawn from the bank without your knowledge; and they have instructed me to request that you will have the goodness to communicate to them, as early as may be practicable, all the circumstances connected with this irregular and extraordinary proceeding.

The commissioners also instruct me to express their regret that the treasurer should have failed to furnish you with the account of receipt and expenditure up to the 31st December 1838. Though they feel, in common with yourself, a sincere respect for many traits in the character of Mr. Gilles, and though they are sensible that the colony, in its earlier stages, derived considerable advantage from the spirit and enterprise with which he engaged in very useful undertakings, yet they cannot, from any considerations of this nature, withhold from the adoption of whatever measures may be found necessary for the establishment of order and regularity in the important department of the colonial treasury. On the appointment of Mr. Gilles, the question was raised, whether the treasurer and other colonial officers should be permitted to engage in private speculations, having a commercial character, and involving commercial risks; and it was deemed expedient, at a time when the treasurer and other officers were the principal capitalists in the settlement, to tolerate, as a temporary arrangement, the conjunction of mercantile pursuits with official duties. The time, however, has now arrived when this temporary arrangement, as far at least as regards the colonial treasurer, should be discontinued; and when the person holding that important office should be required to relinquish all private business involving mercantile hazard, and to give his exclusive attention to the punctual and efficient performance of his public functions. The commissioners are desirous that this separation of employments, as far as regards the department of the colonial treasury, should be immediately established; and in order that you may be enabled to give an immediate effect to an arrangement, which the great increase of business seems to render indispensable, they have instructed me to state, that you are hereby authorised to advance the salary of the colonial treasurer to any sum not exceeding 500 *l.* per annum.

The commissioners will apply to the Lords of Her Majesty's Treasury to sanction this advance of salary. The details of the arrangements for establishing order and regularity in the department of the colonial treasury are left to your discretion. With respect to Mr. Gilles, the commissioners are of opinion that he is entitled to all the consideration and indulgence which can be accorded to him without injury to the public service. He appears, under all circumstances, to have supported the local government, and some part of the irregularity which has occurred in his department, may be fairly traced to the acquiescence of the commissioners in the temporary conjunction of commercial pursuits with official business, a conjunction, though in the infancy of the colony unavoidable, yet, not in itself desirable; and, in the case of Mr. Gilles, peculiarly liable to occasional irregularity, in consequence of the extent of the benefits which he conferred upon the colony, as one of its largest and most enterprising capitalists. Though the commissioners would not wish in any way to fetter the free exercise of your judgment, yet, for the considerations I have just alluded to, they cannot but express a hope, that you may find it compatible with the public interest to give Mr. Gilles the option of retaining the office of colonial treasurer at the present augmentation of salary, subject to the conditions of his relinquishing all private business involving commercial hazard, and that he shall devote his exclusive attention to the punctual and regular discharge of his official duties.

Correspondence respecting Mr. Fisher and Mr. Gilles.

(No. 8—Finance).

EXTRACT of a DESPATCH from Colonel *Gawler* to the Colonization Commissioners for South Australia, dated 1 February 1840.

THE assistant commissioner informs me that the storekeeper's accounts are ready, but I regret to say that up to this moment I have not been able to procure those of Mr. Gilles. The Board of Audit is instructed to take the most strenuous measures for obtaining them.

No. 12.—Commission of Inquiry.

Sir, Adelaide, 21 February 1840.

I HAVE the honour to forward to the commissioners the complete report of the court of inquiry, instituted in obedience to Lord Glenelg's letter of the 30th May 1838.

I request them to have the goodness to submit it to the Right Honourable the Secretary of State for the Colonies.

I consider that the members and secretaries of the court did their duty well and honourably in the face of many difficulties and great discouragements; and that their report contains as full and correct a representation of the general circumstances that were under investigation, as in the state of the colony, and under their difficulties, it was possible to procure.

I regret however to say, that events have recently occurred which lead me to apprehend that the balance-sheet of accounts (Proceedings, page 209) at least, may be very erroneous.

For several months past, Mr. Fisher has been endeavouring, in various ways, both by letters and by the influence of his friends, to induce me to have a second examination of his conduct before the court of inquiry. To the first, as is stated in the proceedings of the court, and was communicated to the Secretary of State in my letter No. 4 of the 13th March 1839, he peremptorily refused to submit, and attended at the court in person, accompanied by his legal adviser, to menace the members with legal consequences if they should enter upon the investigation. At the same time he resigned the office of registrar-general, in order, as I conceive, to be altogether free from the control of the Government.

He now wishes to be restored to that office, and has made personal application to me for it. He desired, I conceive, the second examination upon his conduct to be instituted in order to procure that justification of character which he imagined was necessary as a preliminary step to the re-appointment.

I need scarcely attempt to prove at length that such proposals and claims were altogether inadmissible. The court of inquiry had been instituted by the direction of the commissioners, under the orders of the Secretary of State.

Mr. Fisher was most expressly informed of these circumstances; he nevertheless, as before stated, rejected the authority of the court, set it at defiance by a legal protest, and threw up the appointment which made him amenable to the orders of Government.

However innocent he might prove himself to be, he could not, after such proceedings, be readmitted into the public service.

His plea for the second investigation, made several months after the first as regards himself was completed, is, that the first was inaccurate in its results.

I believe that it may in some particulars have been so, but the blame of such consequences rests not upon the Government, the court, or the witnesses, but upon Mr. Fisher, who alone possessing the means of correcting inaccuracies, rejected the fitting opportunity for doing so.

The conversations, however, which have attended these applications of Mr. Fisher and his friends, have led me to suspect the accuracy of the balance-sheet in particular. I am persuaded that it could not be relied upon as a basis for the institution of legal proceedings. Nevertheless, I trust that the Secretary of State and the commissioners will approve of my determination to take no further steps for the correction of it.

If peculation to a large amount could be proved against Mr. Fisher in a court of law, I am well assured that no pecuniary reparation could be procured from him, inasmuch as I believe he holds no property in his own name. It is in the highest degree probable, however, that such malpractice could not be legally established, and that the attempt, if made, would only subject the Government to great expense, and the discredit of a failure.

Mr. Fisher's applications, and the information which they elicited, have induced me to delay forwarding the complete copy of the proceedings longer than I should have otherwise have done, in order that I might be enabled to give a more conclusive opinion on the subject.

From much of the testimony produced before the court, as well as from circumstances that occurred during its sittings, it is evident that the colonial storekeeper was very irregular in his duty. Much of this irregularity arose, I have no doubt, from the confused state of the colony, and was unavoidable on his part, but very much proceeded also from his utter unacquaintance with the principles of public duty. A similar deficiency among many of the public officers has been, and, although rapidly diminishing, is still a very great cause of the difficulties of the colony.

I think

I think that even Mr. Fisher's misconduct is more attributable to this than any other cause.

Correspondence respecting Mr. Fisher and Mr. Gilles.

Nevertheless, having dismissed several heads of departments, principally on this account, I have been most unwilling to add Mr. Gilbert to the number, believing him, as I do, to be a well-meaning and intelligent man, and hoping that with these qualifications he may be led into a proper sense of his duties, and into the adoption of an efficient practical system.

I have, &c.

Colonel Torrens, Chairman, &c. &c.

(signed) *George Gawler*,
Resident Commissioner.

(No. 17.—Finance.)

EXTRACT of a DESPATCH from Colonel *Gawler* to the Colonization Commissioners for South Australia, dated 26 February 1840.

Mr. GILLES not having rendered his accounts for the quarters ended 30th June and 30th September, I have been compelled to place him in the hands of the advocate-general.

Paper, No. 27.

MEMORIAL from the Magistrates, Merchants, and other Inhabitants of *South Australia.*

TO the Right Honourable Her Majesty's Principal Secretary of State for the Colonies.

Memorial from Magistrates, &c. of South Australia.

The MEMORIAL of the undersigned Magistrates, Merchants, Landholders, and Inhabitants of the Province of *South Australia*, adopted unanimously at a Public Meeting of the Colonists held at the Court House, in Adelaide, on Thursday, the 19th day of December 1839.

THE memorialists beg permission respectfully to approach Her Majesty's Government on the present occasion, in the full confidence that the obstacles which have been found to impede the right working of the great principle of colonization as applied to the province of South Australia, comprised in the following statement, will receive the consideration of Government, and that the modification the memorialists venture to suggest, and which they believe essential to its permanent and beneficial operation, will be adopted at the earliest possible period.

The memorialists beg to direct the attention of Her Majesty's Government to the following extract from the Appendix, No. 10, of the Third Report of the Colonization Commissioners, as expressing the chief object which the survey was intended to secure: "That the survey of waste land be so conducted as to afford to purchasers the most extensive choice, and the most complete liberty of appropriation, both with respect to quantity and situation."

The memorialists regret to be obliged to state, that the survey as hitherto conducted has not fulfilled the objects contemplated by the Colonization Commissioners; they are far, however, from imputing blame to individuals connected with that department; on the contrary, the memorialists bear their willing testimony to the anxiety of his Excellency the Resident Commissioner to expedite the surveys in every possible manner; the evils of which they complain are defects inherent in the system. There are at the present time holders of preliminary orders, who purchased their land upwards of four years ago, who have not yet been able to obtain possession of their sections, and there also are, or were until within the last few days, numerous parties holding land orders unable to find surveyed land suitable for their location, and some of whom were ultimately, and after months of vexatious and expensive delay, only enabled to obtain possession of land by forming their individual land orders into an aggregate sufficient to entitle them to demand a grant of 4,000 acres, or a special survey, and thereby to locate themselves irrespective of the progress of the surveys, and in one of those fertile districts which the surveys have not yet reached, nor which they could be expected to reach under the present system but after a lapse of years. Exclusive of the right enjoyed by purchasers of special surveys, under the existing regulations, the unappropriated land surveyed in a limited number of districts is alone open for selection and purchase; and were it necessary, numerous instances, well known to the memorialists, could be adduced, where parties desirous to locate have not only been subjected to great pecuniary losses by their inability to do so, but where in some cases most desirable settlers have actually left the province because the tracts of land they preferred, and would have selected, were unsurveyed, and therefore not open to purchase and location.

Memorial from Magistrates, &c. of South Australia.

The memorialists therefore represent that "the most extensive choice, and the most complete liberty of appropriation" which the Colonization Commissioners are desirous to afford to purchasers of land, are, under the existing system, not afforded, and that in their opinion, these never can be afforded unless that system is entirely changed.

The memorialists submit with great deference, that, subject to after survey, to the right of public roads, and public access to water, intending settlers ought to be allowed to select, at their discretion, from the unsurveyed districts, the quantity of land for which they have paid, and to locate themselves and family thereon forthwith. The loss and injury which, more or less, all settlers have hitherto suffered, by the survey not being in advance of the demand, would be by this simple plan in future altogether avoided, while content and satisfaction would be generally diffused. At the same time the memorialists believe that the adoption of the suggestion now respectfully submitted, would carry into full effect the desire of the Colonization Commissioners "to afford the most extensive choice, and the most complete liberty of appropriation, both with respect to quantity and situation," unattainable at present, while by thus extending the special survey system to the purchasers of smaller portions of land, another important object in the colonization of the province would be secured, namely, the cultivation at the earliest period of all the "finest veins of land." In point of expense, the saving would be great. At present the surveys in the districts to which they extend, include not merely the finer tracts, but those portions of inferior quality, the settlement of which must be delayed for years, and which can only be expected to become available when the superior portions are fully occupied.

By adopting the proposed mode, and confining the surveys of the land to the portions sold, paid for, and selected, it must be evident, that while it is sufficient for all practical purposes, the expenses of the department must be materially decreased.

The memorialists viewing with apprehension the enormous expense of the present survey system, have received with alarm the intimation that the colonists generally would be required to bear taxation for its continuance as an item of the permanent expenditure of the government.

The memorialists are perfectly sincere in their desire to maintain the distinction which South Australia has acquired as a self-supporting colony. Without relinquishing their right as British subjects to the protection and support of the mother country, should these ever be required, they are willing to bear the expenses of their own government. Their power to do this, however, depends on its wise and economic administration, and on their not being called on at too early a period of the progress of the colony, and when it is physically impossible that its resources should be developed, to contribute beyond their means to the necessities of the State. In the hope that these necessities will be sufficiently moderate to allow of their being ungrudgingly borne by the memorialists, they proceed to represent to Her Majesty's Government, that in their humble opinion they ought not in addition to be called upon to bear the expenses of the survey department.

By the South Australian Act no express provision is made for the payment of these expenses, and they have hitherto been defrayed by the Colonization Commissioners, either out of the loans raised under the powers vested in them by the original Act, or out of the monies borrowed from the emigration fund under the amended Act; in both cases the expenditure is chargeable as a debt against the colonial revenues, and failing these, it is secured on the unappropriated lands.

The memorialists are fully sensible of the importance to the colony of devoting the proceeds of the land sales, with the smallest possible diminution, to the purposes of emigration, and they earnestly desire to see this principle maintained inviolate. But they venture to presume that its future maintenance and inviolability depend altogether on its being placed on a basis, which, sound in itself, shall involve neither accumulated debt on the one hand, and prospective taxation on the other. It is with these views that the memorialists venture earnestly to recommend that no further debt should be incurred on account of the expenses connected with the survey department, but that provision should be made for the payment of these expenses out of the gross proceeds of the land sold, and that the net amount should be applied to the purposes of emigration without other diminution whatever. Whether it might be expedient to adopt the terms of the resolution proposed to the House of Commons by Mr. Ward, on the 25th of June last, and employ "a large fixed proportion of the purchase-money" to that object, or the net proceeds, whatever these might be, it is scarcely the province of the memorialists to offer an opinion; but they are satisfied that by strict economy in the administration of the funds, by the remodelling of the survey department, by preferring contracts in all practicable cases, and by the adoption of the system they have taken the liberty to recommend, the proportion of expenses would seldom or ever exceed 10*l.* per cent., or 2*s.* per acre on the gross amount of the land sold. The expenses connected with the survey and the land department, they are well assured, have amounted to at least 50 per cent. on the produce of the land surveyed at this period.

The memorialists express their firm conviction that unless the recommendation which they have now respectfully laid before Her Majesty's Government be adopted at the earliest possible period, the future prosperity of the colony will be materially retarded, even if more serious consequences be avoided.

The memorialists now beg leave to submit to the consideration of Her Majesty's Government another subject which they believe essential alike to the reasonable satisfaction of the colonists and to the good government of the province.

The

Memorial from Magistrates, &c. of South Australia.

The memorialists, indeed, trust that their application for a non-official extension of the Legislative Council requires only to be preferred, to receive the favourable consideration of Her Majesty's Government, and that what has been so liberally granted to Swan River, with a population of 2,500 souls, will not be refused to South Australia, with a population now exceeding 10,000, and in the course of daily and rapid increase.

At present the memorialists have no recognised means of making their views and feelings known in the Legislative Council, and are besides subject to a power which, however considerately and conscientiously exercised, is irresponsible to the colonists, and is not merely repugnant to the well-understood principles of the English constitution, but existing, the memorialists believe, in no other colony of the British Crown subject to the imposition of taxes.

The memorialists trust that Her Majesty's Government will not consider premature or unreasonable their request to have a sufficient control over the expenditure of monies arising from taxation levied on the colonists, or that the commercial, agricultural, pastoral, and general interests of the province should be fairly represented in the Legislative Council, but that, on the contrary, their request should be freely complied with, under such regulations as may be deemed expedient.

Two points only the memorialists submit as essential to the peace and good government of the province; namely,

First, That the non-official Members shall be the freely elected representatives of the colonists; and,

Second, That in the event of any law being opposed unanimously by the non-official Members of the Council, it shall not take effect within the province until it has received the sanction of Her Majesty.

[441 Signatures.]

Paper, No. 28.

—(No. 1.)—

COPY of a LETTER from the Colonization Commissioners for *South Australia* to Lord *John Russell.*

No. 1. R. Torrens, Esq. and the Hon. E. E. Villiers, to Lord J. Russell, 10 Dec. 1840.

South Australian Colonization Office,
9, Park-street, Westminster, 10 December 1840.

My Lord,

WE have the honour herewith to transmit a despatch addressed to your Lordship by Lieutenant-colonel Gawler, accompanying a memorial, also herewith transmitted, from certain magistrates, merchants, landowners, and inhabitants of the colony of South Australia.

Colonel Gawler informs us that he was requested to present the memorial to your Lordship through us, and that he has also transmitted his despatch commenting upon the memorial, through the same channel, because the subjects connected with the land department are so blended in the memorial with others which belong to the Government, that they could not be separated without calling another public meeting.

Having observed a reference in Colonel Gawler's despatch to your Lordship to a portion of a despatch which he had addressed to us on the 26th of February, we do ourselves the honour to enclose an extract of the passages relating to the survey establishment to which Colonel Gawler alludes.

In regard to the three principal topics mentioned in the memorial, viz. the charging the surveys upon the land fund, the unlimited right of selection of land by all purchasers, and the introduction of non-official members into the Legislative Council, we beg to offer the following remarks:

1. We entirely concur in the propriety of devoting some proportion of the land fund to the payment of the surveying expenses, and we hope that one of the changes which will be introduced into any future Act of Parliament will confer on the commissioners the power of meeting this charge out of the money accruing from the sale of land. At present we are required, by the 6th clause of the Act, to apply the purchase-money, without any deduction whatever, to defraying the cost of conveying emigrants to the colony. Should the colonial Legislature think proper, in the meantime, to pass an Act requiring the payment of a fee from all purchasers upon the issue or registration of their grants, and to apply the money to defraying the expense of survey, we can see no objection to such a course. It would be in the nature of a tax, as the sum raised by it could not, consistently with the Act of Parliament, be considered as a portion of the purchase-money of the land. It might, however, require a legal opinion to decide whether such a course involved an improper evasion of the Act.

2. On the second point, viz., of allowing all purchasers, however small the portion of land which they had bought, to select their location in any part of the colony, we are compelled to dissent from the memorialists and from Colonel Gawler. We believe that if the holders of orders for 40 or 50 acres could compel a survey of that portion in any part which they might choose without reference to the progress of the surveys, ruinous expense would be entailed on the colony. Much confusion would be created by attempting, as Colonel Gawler proposes,

No. 1. R. Torrens, Esq. and the Hon. E. E. Villiers, to Lord J. Russell, 10 Dec. 1840.

proposes, to make these small purchasers pay the expense of their surveys; it would not be easy to ascertain the amount of extra expense which they had occasioned, and it would be found impracticable to obtain from them the repayment of the sum. In the case of Port Phillip it is established that the purchaser of eight square miles, or 5,120 acres, may claim a survey of that quantity of land wherever it may be selected, within the limits of the colony, and we should think it would be unwise to confer this right upon the purchaser of a smaller quantity in South Australia.

It is with pleasure we observe that Colonel Gawler states to your Lordship that there never has been any good cause for the apprehensions felt in the colony and in this country as to the monopoly established by the owners of special surveys in respect to water frontage, and that the powers vested in the Governor and resident commissioner are quite sufficient, if properly exercised, to nullify all evil effects of this kind.

3. With respect to the plan of admitting non-official members into the Legislative Council, we have already expressed our opinion in its favour, in the Report which we had the honour of addressing to your Lordship on the 7th July last. And we also upon the same occasion took the liberty of suggesting what appeared to us to be the best and easiest method of carrying the plan into operation.

We have, &c.

(signed) *Robert Torrens.*
Edward E. Villiers.

— (No. 2.) —

No. 2. Extract Despatch from Col. Gawler, 26 February 1840.

EXTRACT from a DESPATCH from Colonel *Gawler*, dated 26 February 1840.

THE persons who drew up the memorial to the Secretary of State, of the 19th December, have no good grounds for complaining, as they appear to do in some scattered sentences, of the imperfectness of the survey system, of the slowness of the work, and of the amount of the expenditure.

The materials of a department had to be collected. A system was at the same time struck out; its leading principle was simply that every efficient surveyor that could be procured should be employed as he desired, either as a permanent officer in the survey department, as a private surveyor working for a time with the department, or as a contractor for any particular extent of work. The application of this system has been constantly improving. During the eight months that it was under my personal direction, I had to contend with all the disadvantages of a forming system, an unexplored country, and ill-understood necessities. Captain Sturt, who succeeded me for three months, was able to give all his thoughts and time to the work, but he had no deputy surveyor-general; and a proportion of the difficulties which I had had to encounter still remained. At this time the fruits of the system are showing themselves abundantly. Mr. Frome, with great personal zeal and intelligence, has under him two very efficient deputy surveyors-general. Surveyors who have come from the other colonies, or from England, who have become well-known and indolent characters, have been removed from the department. The country has been well searched out, to the extent of 7,000 square miles (50 by 140), the survey stations are well posted, lines of communication have been opened. From my arrival in the country to the present date, about 200,000 acres have been actually surveyed, viz. 113,900 acres in preliminary and ordinary sections, and 90,000 acres in special surveys; seven of these are quite or nearly ready for appropriation, and 13 more are actually in hand. This surveying was carried on in the face of the difficulties of forming an establishment, and for five months of those of a very wet winter, in an intricate and uninhabited country. For six months past the latest land orders from England have been appropriated, except in the cases in which the holders of them were indolent or very difficult to be satisfied.

Taking all these into consideration, I assure the commissioners that the work done by the survey department has been very great, that its present prospects are most promising, and that those who from honest motives find fault with either, or who, in the present state of the colony, recommend any other system than that which is adopted, can only do so from absolute deficiency of information.

In the present state of the colony, the employment of private surveyors has been found to be peculiarly disadvantageous and unsatisfactory, except in the particular cases of the proprietors of special surveys deciding on laying out secondary towns at their own expense, when the surveyor, being partly remunerated by the purchaser, can afford to work for the Government at a reduced rate. I have taken advantage of this circumstance in reference to the Murray and Reid, the Port Lincoln, and the Port Victoria special surveys.

I can confidently say that, according to the circumstances of the colony, the work done has been commensurate with the expenditure. This last has indeed been very great; but considering always the circumstances of the colony, and those in which I found the survey department, it could not have been otherwise and the work have been done. The question was reduced within this narrow compass: Shall the extraordinary expenditure be incurred, or shall the surveys be continued at a rate of progress altogether incommensurate with the demand?

demand? To this I conceive that the solemn pledges of the commissioners to the public, that the surveys shall be so conducted as to be always in advance of the demand, contain a sufficient reply. I found myself, as the representative of the commissioners, with all the weight of these pledges upon me, and personally working most laboriously, and most cautiously avoiding every expense that I conceived to be unnecessary, have I endeavoured to carry them out. Extravagant rates of wages and hire, and of prices of all kinds, I could neither remedy nor avoid.

No. 2.
Extract Despatch from Col. Gawler, 26 February 1840.

It must be remembered that, even if I had felt it right to limit the survey establishment, it is probable that expense would not have been saved by such a course. When I came into the colony, respectable and well-disposed persons were seriously coming to the resolution of bringing actions at law against the commissioners, for the detention of the land they had purchased; and if this practice had been commenced, its effects would probably have been most ruinous.

With all the experience we have gained, the progress and preparations that have been made, and the present zeal and intelligence of Mr. Frome, the expenses of the survey department are still immense. Nevertheless, what can be done? We must go on: we cannot wait for a fall of wages and prices, or the establishment of distant towns, to save the enormous expenses of continual transport. A large extent of purchased land, in round numbers, and considering special surveys as 15,000 acres each, about 300,000 acres, are still unsurveyed, and several orders for additional special surveys are even now in the colony. In addition to the evil of the breach of faith with land proprietors, a check in the surveys would check the influx of that capital on which the province is to a great extent existing.

— (No. 3.) —

(No. 6.)

COPY of a DESPATCH from Colonel *Gawler* to the Secretary of State for the Colonies.

No. 3.
Colonel Gawler to the Secretary of State for the Colonies, 27 June 1840.

My Lord, Adelaide, 27 June 1840.

THE accompanying memorial to "Her Majesty's Principal Secretary of State for the Colonies" was adopted at a public meeting in Adelaide, on the 19th December last, during my absence on a tour to the Murray.

It was not, however, presented to me for transmission until the 2d April, a few days before my departure for Port Lincoln. Under the circumstances of my engagement with the private vessel which was to convey me, it was not practicable to delay departure for the purpose of writing the observations which ought necessarily to accompany the memorial. I now take the first opportunity of forwarding it which heavy pressure of business, and the departure of mails have allowed since my return.

The prayer of the memorial embraces three principal points, and with these appear to be connected, incidentally, strictures upon the state and progress of the survey department.

These last, as far as they may be apparent and are intended, I beg to assure your Lordship, as I have before indirectly shown to the commissioners in my despatch, (No. 17, Finance, 26th February 1840,) are ill-founded and incorrect.

It certainly was not the case for some months before the adoption of the memorial, that parties holding 80-acre land orders were suffering inconveniences of which they had just reason to complain, on account of the backwardness of the surveys. As I had previously reported to the commissioners, as regarded money tenders and 80-acre land orders, the surveys were well in advance of the demand. Many parties certainly kept back from selecting their land in order to have the choice of situations which possessed peculiar advantages, but really good and well-situated land was then in the market unappropriated. The quantity of this description has been increasing, and is at the present moment very considerable.

It certainly has not been the case generally, that the holders of preliminary land orders have sustained injury from not being put into possession of their land. The country has become so much better known, that the delay, in most cases, has been an immense advantage, by giving them a much wider and better understood sphere of selection. The delay of two or three years is not to be compared with the superior permanent value of the properties now selected.

It certainly is not the case that the survey department requires remodelling. The fact really is, that from unavoidable hindrances it was not until lately completely modelled. It has been advancing gradually, but steadily, in efficiency, in the face of immense difficulties, and is now a very efficient department, not inferior, I think, to any in any British colony. It is quite equal to the work before it, and might shortly be reduced, were it not for the question of leases of pasturage which must soon be attended to, and which I conceive will require a trigonometrical survey of many hundred square miles before it can be carried into operation.

In making these observations, I do not wish to charge the composers of the memorial with intentional misrepresentation. They were, as I think they are at this time convinced, extremely deficient in information upon the subject of surveys and the survey department. Their mistake was, that of not making their complaints to me before they allowed them to appear, however casually, in a public memorial. Had they previously spoken of them to me, I am persuaded that their views would have been altered, from the information that would have been given in return, and that no symptom of complaint against the survey department would have appeared in the memorial.

No. 3.
Colonel Gawler to the Secretary of State for the Colonies,
27 June 1840.

The three great points embraced in the prayer of the memorial are:

1st. The propriety of charging to the emigration fund the expenses of the survey department.

2d. The privilege of universal selection of land by the first applicant, without regard to the progress of the surveys.

3d. The admission of some private colonists into the Legislative Council, in such a manner that the commercial, pastoral, agricultural, and general interests may be virtually represented.

With regard to the first, I may respectfully observe, that it is evidently impossible that the loan should bear the great expenses of the survey department, or that, for a considerable time to come, they should be met by the colonial revenue. I beg to assure your Lordship that I have never shrunk from the duty of imposing taxes, but legislation on this subject is of a very delicate character, and legislation of all kinds has been retarded, to my very great regret, by the circumstances of the colony, and from the ill health of the late advocate-general. In any case, a population of from 10,000 to 20,000 souls, labouring under the immense private pecuniary requirements attendant on effecting a first settlement, cannot be expected to contribute to the public revenue at the rate of above 2 *l.* annually for each individual, and the sum produced by this proportion would not cover the expense of necessary public buildings and wharfs, in addition to those of the police and government.

With regard to the second point, I need scarcely say that, from the nature of my duties, the various modes of purchasing and selecting waste lands have been constantly pressed upon my attention, with great opportunities of calculating the probable practicable working of different systems. As the result of my observations, I would respectfully offer, that I conceive the mode recommended by the memorialists, that of the privilege of universal selection being vested in the first applicant over the whole face of the waste lands, without reference to the progress of surveys, or in other terms, the extension of the special survey system to include applications for small as well as large districts of country, is that which would be the most just, satisfactory, and convenient to purchasers of land, and consequently that which would insure the most rapid rate of purchase and of colonization.

The applications, I think, should not be allowed to include fractional portions of acres. They should not be allowed to require unreasonably irregular outlines, or disproportionate dimensions. A width one-sixth of the length might be the lowest proportion admitted. Below a certain quantity also, say 1,000 acres, there should not be the privilege of requiring the survey of a larger district than that actually purchased.

The power of the Governor and resident commissioner to reserve roads for public convenience, removes, I think, all objections on the ground of monopoly of water frontage. Great apprehension prevailed in this country, and I believe in England, with regard to the monopoly of water frontage, through the privilege of the holders of special surveys, but there never has been any good cause for it. The power before-mentioned, vested in the Governor and resident commissioner, is quite sufficient, if it be properly exercised, to nullify all evil effects of this kind.

To prevent the great expense and inconvenience that would arise, under a system of universal choice, from the frequent removals of survey parties, the purchaser of the land might be required to pay, according to a regulated scale, all extra expenses arising from this cause if he were to desire that his land should be surveyed before a party could be removed to the situation chosen, in regular order of proceeding.

It might perhaps be desirable to limit the minimum quantity purchased on this principle to 40 or 50 acres, and it would be of very great importance that the Government should retain the power of purchasing, independent of all private choice, portions of land necessary for public purposes.

With regard to the third great point, the admission of private colonists into the Legislative Council, I respectfully conceive that, prudently carried out, it would conduce to the welfare, without endangering the peace of the province.

If the non-official members were for the present limited to four or five, and the council chamber, as at present, were not thrown open to the public, there would, I conceive, be no reasonable probability of evil results from the non-official members being freely elected representatives of the colonists. At present there exists an extraordinary degree of mutual good understanding between the Government and the great body of the colonists, and with reasonable precautions it might still be maintained.

I would humbly propose that Her Majesty's sanction should be obtained to the increase of the official members of the Council, by the addition of the colonial treasurer and registrar-general. Added to these, four or five non-official members would not, in the extended state of our population, and the stability which our institutions have assumed, be an inconvenient number.

If, partly composed of freely-elected representatives of the people, the Council were to hold its deliberations in the presence of general spectators, it would almost surely assume the character of a debating society, in which the representative of the Crown would appear as the leader of a party; circumstances which would not, I conceive, conduce to the honour of the Sovereign, or the peace and welfare of the colony, and a position which I would humbly say I should be most unwilling to assume. The non-admission of general spectators into the council-chamber does not of course prevent abstract reports of the proceedings of the Council from appearing in print as they do at present.

A representative Assembly would appear to me preferable to a Council partly composed of representatives of the people, of which the proceedings were held in public.

(No. 3.) Colonel Gawler to the Secretary of State for the Colonies, 27 June 1840.

It might be left to the Governor in Council to regulate the elective districts of the province, and the number of members that each should return, and to the Governor alone to dissolve the representative members of the Council at pleasure, proceeding immediately to a new election.

To the second proposition of the memorialists, in connexion with the extension of the Legislative Council, that "in the event of any law being opposed unanimously by the non-official members of the Council, it should not take effect within the province until it had received the sanction of Her Majesty," I would most decidedly object. Such a regulation, I conceive, might establish a very invidious distinction in the Council, seriously retard legislation, and foster angry division and discussion. Non-official Members, by whatever means they might be admitted, should be led to bear prominently in mind that systematic party opposition, discreditable and injurious enough in a representative Assembly, would be altogether at variance with the constitution of a Council, and destructive of its utility.

I have, &c.

(signed) *George Gawler*,
Governor, South Australia.

Paper, No. 29.

COPY of a DESPATCH from Lieut.-Colonel *Gawler* to the Secretary of State for the Colonial Department.

Government House, Adelaide,
5 December 1840.

My Lord,

Lieut.-Col. Gawler to the Colonial Secretary, 5 Dec. 1840.

I BEG respectfully but anxiously to address your Lordship under circumstances of very serious danger to the colony and to myself.

I have lately received a letter from Colonel Torrens, semi-official in its character, but announcing the intended speedy despatch of regular official communications to the same purport.

It expresses Colonel Torrens's intention, in which also he conceives he possesses the concurrence of his colleagues, to maintain, in reference to this colony, what has been called the self-supporting system; and in it I am recommended at once to throw the expense of the police force upon the colony, and to abstain from drawing bills upon the Commissioners for unauthorized expenses.

It is plainly intimated that if such be drawn they may be dishonoured in England.

In regard to the self-supporting system, I assure your Lordship, that from the commencement of my government in this colony, I have sincerely endeavoured to carry it out, every month, however, adding to my conviction that, in reference to this province, it was impracticable, in the way, at least, in which it had been attempted.

In regard to unauthorized expenses, I am really in the position of not having the proper means of distinguishing which come under this class and which do not.

Almost all my direct and defined authority has reference to a period in which the population amounted to 4,000 souls, located on an area of about 10 miles in diameter.

Even for that state of things the authorized establishment and expenditure were very insufficient; several indispensable public functionaries were omitted, public works and buildings were not contemplated, and the survey department was unequal to its work.

To the present situation of the colony, the directly authorized establishment and expenditure cannot, I humbly conceive, be considered as at all applicable. The population amounts to from 15,000 to 16,000, spread over a district (not including Port Lincoln) which averages more than 100 miles in length by 50 in breadth, with the immense requirements of public buildings, roads, bridges, wharfs and police, together with those of a survey department sufficient to supply the immense demand for land purchased within the last two years.

Circumstances like these have long since forced me, not into unauthorized expenses, but, upon the authority which I had received from the Commissioners, to act upon my own judgment in cases of emergency.

Inapplicable as were the directly authorized expenditure and establishment, and extraordinary as were the sales of land and influx of population for the first year and a half after my arrival here, my position altogether, at the distance of a twelvemonth in communication from my only point of reference, has been one of emergency,—emergency, too, which it is scarcely possible to conceive without the experience of a similar situation.

In addition to the general authority which I received in reference to cases of emergency, the Commissioners have from time to time indirectly authorized almost all the most important objects of expenditure. In the instance of the increase of the police force in particular, some of the holders of special surveys, taken at a considerable distance from Adelaide, have received from the Commissioners encouragements on the subject of the police protection of their properties, which have been officially forwarded to me, and which I could not meet but by the increase of the force to at least its present efficiency.

In the present condition of the province it would be impossible to throw the expense of the police force upon it, any further than that it may be considered as met by the revenue to a considerable extent. Neither could the police force be reduced without great risk,

Lieut.-Col. Gawler to the Colonial Secretary, 5 Dec. 1840.

unless a military force were sent to undertake a part of its duties, a measure in which I have no power to act.

If the colony were allowed to fall gradually upon its own resources, evil consequences, I conceive, would not ensue, for the foundations of its healthy progress are laid; but any sudden direct financial check might have the worst of consequences in a community already suffering financial depression from indirect causes.

I would therefore most earnestly request your Lordship to take these circumstances into your consideration.

I have, &c.
(signed) *George Gawler,*
Governor, South Australia.

Paper, No. 30.

COPY of a LETTER from the Colonization Commissioners for South Australia to *James Stephen,* Esq.

South Australian Colonization Office,
Sir, 9 Park-street, Westminster, 12 May 1841.

Colonization Commissioners to J. Stephen, Esq. 12 May 1841.

WE have the honour to forward herewith a report which we have recently received from Colonel Gawler, upon the present state of the colony of South Australia. It will be observed that Colonel Gawler enters fully into the consideration of the course which he has pursued in administering the affairs of the colony. We are anxious therefore to lose no time in submitting his observations to Lord John Russell's notice; and as the Parliamentary inquiry has, we believe, not finally closed, we would further take the liberty of suggesting that the document should be communicated to the Select Committee. Returns from the different departments, for the half-year ended June 1840, accompany Colonel Gawler's report; but as they are volumnious, it may perhaps be the most convenient course that we should at present only state the most important results which they exhibit.

The revenue, during the first quarter of 1840, had amounted to 7,371 *l.*, being at the rate of 29,484 *l.* per annum; and during the second quarter to 8,141 *l.*, being at the rate of 32,564 *l.* per annum. On the other hand, the expenditure for the first quarter of 1840 had been 40,905 *l.*, being at the rate of 163,620 *l.* per annum; and of the second quarter 49,419 *l.*, being at the rate of 197,676 *l.* per annum.

With regard to the surveys and sale of lands, it appears that during the first six months of 1840, 165,000 acres had been surveyed, and that the cost of surveying had been reduced from the previous rate of 3*s.* 2*d.* per acre, which did not include the central expenses, to 1*s.* 7*d.* per acre, a sum including, as the Surveyor-general states, every expense directly connected with the survey. From Colonel Gawler's separate despatches, we find that the quantity of land sold during the three first quarters of 1840, had been as follows:

1st Quarter	1,411	acres
2d Quarter	1,035	„
3d Quarter	3,816	„
Total	6,262	„

During the month of October last, however, the sales had only amounted to 240 acres.

We have, &c.
(signed) *Robert Torrens.*
T. Frederick Elliott.
Edward E. Villiers.

South Australian Resident Commissioner's Half-yearly REPORT, to 30th June 1840.

FINANCE.

Resident Commissioner's Half-yearly Report.

Revenue.—THE total amount of revenue, received for the half-year ending 30th June 1840, was 15,513 *l.* 15*s.* 8*d.*

Considering the average of the population for that period to have been 13,000 souls, the average rate of taxation will therefore be 2*l.* 7*s.* 9*d.* per annum for each individual.

I think Her Majesty's Government and the Commissioners will consider that, under the very pressing and numerous wants of settlers but just arrived on ground entirely new and unimproved, and the financial depression which now exists, it would not be prudent, for the present, to increase this proportion to any considerable extent, as regards the general revenue.

Had a capital-possessing population continued to flow in as rapidly as it did a twelvemonth since, the question of the increase of taxation would have borne a somewhat different aspect.

The

The sudden check given to that influx by the aggravated and one-sided reports of some timid, restless, and ill-informed persons in the colony, and of many interested or prejudiced persons in other quarters, has produced considerable financial depression and distress, and rendered the subject of increased taxation much more embarrassing. Resident Commissioner's Half-yearly Report.

Within the colony, taking its advantages and disadvantages as they should be taken, all in all, I most deliberately and confidently assure the Commissioners that there is no just ground for discouragement.

Like all other portions of the earth it has its defects, but the climate is as fine, I think, as any in the world; and the agricultural, horticultural, and pastoral capabilities of the districts already known, are very great, and equal to the comfortable support of at least 250,000 souls*. If its manufacturing capabilities, in regard to wine, roofing slate, statuary marble, iron, and perhaps other metals, were brought into fair operation, the population might be augmented to a much greater number.

Under God's blessing, the province only requires honest report, and considerate and liberal management, to become a favourite point for emigration, and a happy and wealthy appendage to the British empire.

An increase will be made to the revenue in the portion devoted to particular purposes, when the Municipal Corporation Bill for the city of Adelaide comes into active operation. The municipal authorities were elected on the 30th October 1840.

The city of Adelaide has hitherto been a heavy charge upon the general fund of the province, by which, with some trifling exceptions of sums collected by private subscriptions, every public expense connected with it has been borne.

Under the Municipal Corporation Act, the proprietors and inhabitants of the city and lands immediately adjoining will contribute towards works for the advantage and embellishment of the town, and other local objects.

The majority of the merchants and principal tradesmen of the province have long been desirous that the mass of the revenue should be raised by *ad valorem* duties on all imports, instead of the present duties on spirits, wines, and tobacco.

The Legislative Council has proceeded with caution in the consideration of this scheme.

An Act embodying a scale of rates proposed by the merchants was read a first time on the 2d June 1840.

According, however, to the calculations of the officers of the customs, it appears that this scale of rates will not produce a revenue of much more than one-half that at present received.

The merchants, while advocating the principle of the *ad valorem* system, are unable to disprove the correctness of the calculations of the officers of the customs, and are unwilling to raise the scale of rates.

There is, consequently, no immediate probability that the Act at present in force will be repealed.

I am very desirous to prohibit the internal distillation of spirits from grain and sugar.

It appears to me evident that the allowance of such distillation would have, at the same time, the effects of materially diminishing the proportionate revenue, and of perpetuating the consumption of ardent spirits in the colony.

A Bill based on enactments in New South Wales and Van Diemen's Land has been introduced into Council, for the prohibition above mentioned. It has been opposed in a petition by a large body of the inhabitants; certainly, however, not including one-half of either the respectability, or the numbers of the male adults of the colony.

Expenditure.

The expenditure still continues to be very great. I assure the Commissioners that I watch most anxiously for every lawful and judicious opportunity of reducing it; and that the surveyor-general, the assistant-commissioner, the treasurer, and the auditor-general, are indefatigable in their exertions to this end.

Than the gentlemen who hold these offices, which bear so closely and extensively upon it, I do not think there are more intelligent, laborious, and honourable men in their stations in any of Her Majesty's possessions. It is, however, a work of very great difficulty, greater than I at one time imagined, in a very new colony, to emerge completely from a state of thorough confusion and irregularity, in the face of the varying requirements of a rapidly in-flowing population, and of a continually changing country.

I hope the Commissioners will perceive a considerable improvement in the style of the reports and returns in general.

At the close of the half-year, I visited all the public offices and stores, and inspected the books of accounts and articles in possession.

I found them generally in a very creditable state.

The accounts of the colonial storekeeper alone were in considerable arrear. Captain Sturt and the auditor-general have been labouring most assiduously to make up the deficiency, and I hope to have the accounts in time to send to England with this report.

I have

* In this calculation the productiveness of the soil is judged of according to English experience in soils in general; if it be estimated by the produce of the land already proved by culture in the colony, its capabilities of supporting population are considerably greater.

Resident Commissioner's Half-yearly Report.

I have stopped Mr. Gilbert's salary, and have directed that official notice be given to him that, in the event of a repetition of such negligence, I shall be compelled to remove him from his situation. In justice to him I ought, however, to add, that his stores are kept in very creditable order.

It is my intention to repeat this inspection at the close of every succeeding half-year, and to be more rigid in requirements, until the public departments shall all have attained the state of order in which they ought to be found.

The rates of charges in the bills against the Government have been frequently too high, and often pointed out as being so by the auditor-general.

Mr. Newenham, the gentleman who fills that office, is intimately acquainted with the details of the trade of the province; and, in the particular referred to, performs his duty with a rigour which does him great credit, and which must be rapidly productive of beneficial effect.

The evil of frequent high prices has proceeded, in a great degree, from the inexperience of some of the public officers especially concerned with stores and store accounts, combined with the fluctuating state of the market, which left it very difficult to ascertain, until after purchase, the lowest price for each particular article.

I have also hitherto found it advisable to procure a considerable quantity of the Government supplies by the common mode of general purchase.

It was difficult, and frequently impossible, to find persons who were able to take up considerable contracts; and it was also of very great importance that the profits arising from Government expenditure should be diffused among the great number of small tradesmen, storekeepers and others, instead of being confined to a few comparatively opulent houses.

This mode of general purchase, while it certainly prevented some evils and conferred great benefits on the community at large, had also, in a peculiar manner, the disadvantage of exposing the Government to the uncertainty and irregularity of prices to which I have alluded.

I assure the Commissioners that I have never been inattentive to these circumstances, although it was out of my power to remedy at once the evils described.

Now that the trade of the province, though suffering under temporary depression, has become much more regular, and tradesmen and others have become, to a certain extent, established in their different positions, I shall proceed to obtain the whole of the public supplies in the proper and authorized manner of contract.

To excite the vigilance of the public officers concerned, the following circular notice was issued on the 22d July 1840.

"GOVERNMENT ORDER.

"Some remarkable cases having recently occurred of articles purchased for the public service having been charged at higher rates than the fair market prices, his Excellency the Governor and Resident Commissioner directs that public officers, by whom bargains may be contracted, who may neglect to make proper agreements for articles required for the public service, must be held personally responsible for all similar unreasonable expenses when fully and clearly proved against them.

"By his Excellency's command,

(signed) "*George Hall*, Acting Colonial Secretary.
"*Charles Sturt*, Assistant Commissioner."

And it is my intention to carry its consequences into effect in all glaring cases of negligence or mismanagement.

In this, as in all new and rapidly-formed colonies, prices, wages, and house-rent have been very high; I have, in consequence, been compelled, awaiting the authorized scale of establishment which the Commissioners have announced as soon to be sent to me, from time to time to raise the salaries of a considerable number of the public officers.

I never take steps of this kind without most anxious inquiry and consideration, and a view to the real benefit of the public service.

I trust that the apparent irregularity of such increases having been made by degrees, and from time to time, will be an evidence of the hesitation with which they were admitted.

Intelligent and experienced persons in private employments receive high remuneration; expenses are greater than they are in the neighbouring colonies; work in the public offices is as pressing and complicated as it can be in any establishment, while the salaries in this colony of the superior classes of public functionaries are, I believe, never equal to, and generally very much below, those of New South Wales and Van Diemen's Land.

Public functionaries in this colony are also deficient in an immense advantage which is enjoyed, I believe, in the neighbouring colonies, the opportunity of being rewarded for public services by grants of land in addition to their salaries.

I have laboured very earnestly, by all means, to induce public functionaries to perform their duties with zeal, honour, and integrity; and with this object have broadly discountenanced the practice, on the part of such persons, frequent in colonies in general, and into which many had fallen here, of engaging in private trade and speculation.

This

This practice, grievously injurious to the public service, can only be opposed by the allowance of competent salaries. When they are granted, the Government has it in its power to exact integrity of conduct and to punish breaches of it with severity.

A painful but most useful illustration of this kind occurred during the half-year, in the case of the late superintendent of police, Mr. Inman. He entered into a system of trafficking with the public money in articles for the use of his department, becoming himself, under another name, the buyer in some cases and seller in others, and by bills or other returns certified as correct by himself, obtained considerable profits on such transactions.

One very striking instance being detected by the attention and integrity of the Colonial Treasurer, Mr. Jackson, and fully proved, I dismissed Mr. Inman from his situation, and with the same salary, 300*l.* per annum, was able to procure the services of Major O'Halloran as commissioner of police, a gentleman of very high character, and with talents well suited for this, in a new colony, most important situation.

I am persuaded that Major O'Halloran, in the present, as contrasted with the former financial management of the department, much more than saves his salary to the public, by the judicious integrity of his proceedings.

Public Buildings.

Public buildings and works are still, and must be* for some time, a heavy item of expenditure. I humbly hope that Her Majesty's Government and the Commissioners will bear in mind, in reference to these and many other large expenses, that, in this colony, they wear a peculiarly formidable appearance from the circumstance that they have come upon it, at once as necessary to a considerable population, and not gradually, as in most other cases of colonization.

There are also in this colony some peculiar causes for great outlay:

The Double Port, the port so called, and Glenelg; their great distance from each other and from the capital; the bar at the mouth of the port, and the formidable character of the marsh which surrounds the harbour.

The mud-boat has been working with some effect, but at considerable expense, at the outer bar. The new road constructed by the South Australian Company traverses the marsh to the southern part of section A., and it has been necessary to erect a custom-house, wharfs, and extensive warehousing sheds on the government property in this section adjoining the harbour.

Works of this kind in a marsh, constructed with a view to durability, are, with every regard to economy, very costly.

The outlay will, however, produce a large annual income in wharfage and warehousing dues. A board is appointed to regulate them.

It is to me now a subject of continual regret that I did not take the road across the swamp at the public expense soon after my arrival in the colony. By being directed at once to the point which must ultimately become the port (the junction of the north arm,) it would have advanced the port of Adelaide by many years, would have given an extraordinary impetus of permanency and spirit to private undertakings in connexion with it, and would have rapidly cleared its expenses.

In that, as in many other things, my error in part has been an over anxiety to carry out, as I was pledged to endeavour to do, the self-supporting system, not feeling myself authorized to risk its success upon expensive speculations which it was possible for the time to avoid, but by this course also frequently bringing on the colony heavier subsequent expenses.

A vessel carrying a light has been moored at the outer bar, in a convenient situation for large vessels to anchor in making the port. She is the Lady Wellington, purchased by the Government for 450*l.* Two pilots live on board of her.

Telegraphs at Glenelg and on the West Terrace of Adelaide, are in full activity, announcing all vessels passing up to the port, and their names if they carry Marryatt's signals.

The east wing, and about half the south front of the Government-house, have been completed and occupied since March last. It is a reasonably handsome, well arranged, and substantial building.

One wing of the public offices in Victoria-square is also completed.

The colonial secretary, surveyor-general, assistant commissioner and treasurer, have taken possession of the apartments designed for them. The registrar-general will do the same as soon as the Registration Bill comes into operation.

My own offices, and the offices of the commissioner of police, auditor-general and emigration agent, are still scattered about the town in temporary buildings, and must remain so until the other wing of the public offices is erected, towards which, however, as well as to the completion of Government-house, I shall not proceed without the sanction of the Commissioners.

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* The terms "must be," are used, of course, in reference to the necessities, and not to the means, of the colony. The portions of the gaol and infirmary in course of construction will require some further expenditure; in addition to these, buildings for the supreme and resident magistrates' courts and a new immigration depôt are much needed in Adelaide. In the country, police and custom-house stations, bridges, prisons, &c. will be greatly required as the population extends into the rural districts.

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The masonry and brick-work of rather more than one half of the new gaol is nearly completed (October 1840). This building is most pressingly required. It has been necessary to expend much money on the old edifice for mere temporary security.*

A neat barrack has been erected for the Sappers and Miners and their stores, near to the spot marked "Barracks," in Colonel Light's map, and 200 yards to the eastward of it are the stables and small barrack-rooms of the mounted police.

One wing, large enough to contain 24 patients, of a brick infirmary, has been nearly completed (October 1840), near to the place marked "Infirmary" in the map. Towards this object 600 *l.* has been paid by the Government.

These buildings, besides being absolutely necessary for the public service, have had a very beneficial effect in the colony, by giving the example for permanent and roomy buildings.

A very large portion of the sickness with which the community has been visited, and a very great part of the dissatisfaction which some settlers and many casual visitors have exhibited, have arisen from the diminutive and temporary style of our buildings, inconveniences that are more severely and injuriously felt in a warm than in a cold climate, and that have helped to give this province a character which it does not deserve, in the minds of those who have not distinguished between natural and artificial advantages. Such inconveniences, however, as I have stated, are fast passing away.

Police.

In a country in which wages and prices are high, and distances in proportion to the population great, the police must be an expensive department.† That of this province, however, in both its branches, foot and mounted, is very efficient. As compared with the time that it has been in existence, there cannot be a finer corps.

Contending with difficulties of no ordinary character, peace and protection are continually maintained by it, in the settled districts, in a degree not surpassed in Great Britain.

An unsatisfactory portion of its expenses has arisen from the difficulty of supporting parties suddenly sent out, as they frequently are, to considerable distances from the capital.

As soon as the advocate-general's time will permit it, I shall endeavour to remedy this inconvenience by establishing certain rates at which country public-house-keepers, at least, shall be obliged to provide police parties on journies with provisions, forage, and lodging.

Aborigines.

The expenses of the Aborigines department I consider to be low as compared with its efficiency.

The economy arises partly from the devotedness of Mr. Moorhouse, who is always at his work, and not above attending to its lowest branches, and partly from the circumstance, that he has the assistance of several German missionaries from the Evangelical Society at Dresden, men also of simple and laborious habits. At present (October 1840) there are two (Messrs. Teichelmann and Klosé) at Adelaide, one (Mr. Meyer) at Encounter Bay, and another (Mr. Schûrmann) at Port Lincoln, to which I requested him to proceed to endeavour to conciliate the natives in that quarter.

To enable these gentlemen to proceed with vigour in their work, their salaries being very small as compared with the prices of the colony, I have built, at the several stations, small houses for them, and have, from time to time, about once a year, when it appeared there was occasion, presented those who were in the colony with gratuities of 25 *l.* each.

I, who never formed the expectation that a very ancient and prejudiced people could be brought from the wildest state of barbarism to even moderate civilization in any small space of time, am much satisfied with the fruits already apparent of the exertions of the protector and missionaries. In the school at Adelaide, eight or ten of the black children read, and some write as well as the same number in any school of British children of their ages.

Five or six families appreciate, more or less, the advantages of their cottages, built principally, and of their ground altogether paled in, by themselves. All about Adelaide are improved in the wearing of European clothing, and taken as a body in the settled districts, their conduct towards Europeans, as to ordinary offences contrary to law, is superior to that of Europeans towards each other.

Among themselves, however, infanticide is not uncommon, and abduction and the murder of adults sometimes occur.

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* Prisoners are only detained in the old building, called "the gaol," by a degree of excited attention on the part of the governor, gaoler, turnkeys, and sentries, which could not be permanently maintained, and which has been only supported thus far by the prospect of relief from the erection of a proper edifice.

† The mounted police is the only body in the province which can be used as a military force. I endeavoured, a short time since, to support it by a volunteer militia, but this last force is not yet numerous or well trained.

A military force, or a police force approaching to it in organization, is absolutely necessary in a country in which the natives, bush-rangers, a large body of escaped convicts, and whaling sailors are to be kept under control.

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Immigration.

The supply of labour has been abundant; latterly, from causes which it was not easy to foresee, it has been rather too great. A considerable number of the vessels which touch at this colony have passengers on board for New South Wales and Van Diemen's Land. Many of these persons, imbibing impressions very unfavourable to the province from the state of the old port, the distance between it and Adelaide, and the indifferent nature of the immediately intervening country, and all perhaps being more or less desirous to vindicate their own particular choice of other colonies, have circulated in those colonies extremely one-sided reports of this province. These have been received with an avidity altogether extraordinary, in communities which were deriving very great advantages from export trade to this colony, have been transmitted to Great Britain not at all diminished in misrepresentation, and have, I have reason to think, been embraced and circulated with equal avidity by interested persons there. The effect of this combination, added to some other circumstances, has been to give a sudden check to the influx into this province of capital, and of the wealthier classes of immigrants.

In the colony, on the other hand, in confidence in the advantages of the climate and great capabilities of the country, with a population amounting, at this time, only to about 15,000 souls, in the full expectation of a continued influx of capital, land has been purchased to an extent capable of containing, in comfort, at least 100,000 inhabitants, and great prices given for lots in the capital.

The check has had indeed the most desirable effect of forcing many of the settlers from land speculation to land cultivation, and other healthy pursuits; but it has found them with capitals considerably exhausted by efforts of the different description above described. It is an extraordinary proof of the reality of the wealth and prospects of the colony, that it has borne such a heavy and unexpected check so well.

The average number of labourers who have been thrown upon the Government for employment has been in the last four months about 100; but of these a considerable number were infirm or naturally indolent persons, who, in the most active state of labour, would scarcely be taken by the settlers. A great proportion of the remainder are men with large and young families, a class with whom settlers in the bush are generally averse to engaging. A return of the Immigration Agent, sent to me a short time since, of single men able to work at a road across Mount Lofty, reported only 10, and 6 boys.

For all there is ample employment in public works for important objects.

The public offices, the gaol, and the infirmary, require in the winter months a large supply of fuel. The park lands are strewed with large fallen trees, which are fast disappearing through private depredations. All the emigrants on the public works that can be spared are employed to cut them up into proper sizes, and to stack the wood for future use at the iron stores in Victoria-square.

At this occupation two or three hundred men might be usefully, and, as regards future saving in an article which must rapidly become more expensive, most economically employed for at least one or two months.

Surveys and Land Sales.

The quantity of land sold recently in the province has been very small, a necessary result of the quantity already appropriated being from six to seven times greater than is required for the location of the population.

It has been urged, lately, that very little good land remains in the explored districts, not enough even, in one block, for a special survey.

The statement is certainly erroneous. From personal observation, I can say that, without regarding the one or two special survey extents of good available land at Port Lincoln, some north and north-west of the light, one near Lake Flinders, and one, probably, near Cape Bernouilli, there are a considerable number on the Murray, and, from recent discoveries, (October 1840,) several round Lake Albert. These are certainly distant from Adelaide, and they are, in their present state, agricultural rather than pastoral.

In the former class, however, they are very beautiful, and abundantly watered.

The application of 80-acre land orders has been extensive; as a general fact, those only remain unapropriated which the owners are reserving for choice situations.

The preliminary claims have also been rapidly disposed of. By about the close of the year 1840, there will only remain unsurveyed, of the preliminary districts, G and H, the two on Kangaroo Island. Of these, the principal holders of reserved orders, applicable to them or their agents, have requested me to defer the surveys. The land on Kangaroo Island, generally, will be useless until the occupation of the Murray and Lake Alexandrina establishes Kingscote, and perhaps Antichamber Bay, as important harbours of refuge, or until the general population is so greatly increased as to make it worth while to eradicate the dense brush with which the good land on the island is generally covered. It is said that even then fresh water will be scarce; I have not yet been able to go there, and cannot therefore give an opinion from personal observation; but concerning South Australia generally, I can state that despondent views concerning deficiency of water are practically erroneous. On land available in other respects, water is almost always either to be found on the surface or to be easily procured by artificial means. As far as the experience of the colonists yet extends, there is invariably in the winter months an abundant fall of rain.

Of the survey department, as a body systematically and practically efficient, I cannot speak in terms of too high commendation. It does the highest credit to the surveyor-general. The immense arrear of work which existed but a short time since has been, to every

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every really necessary extent, overcome; recently complaints have not been heard of the backwardness of the surveys. It is impossible, however, in consistency with the pledge of the Commissioners, to stand still until all be completed; any attempt at doing so would be met, on the part of the proprietors, with remonstrances which could not be answered.

The surveyor-general has directions not to take on any new surveyors, and to allow every opportunity for those now employed to leave the department.

The Commissioners will perceive that the number is reduced. The road parties also are considerably diminished, the great lines of communication to the different districts being now generally opened, in a manner sufficient for ordinary travelling.

To Mr. M'Laren, lately of the survey department, I have given the office of superintendent of the Government Farm, an establishment formed within seven miles of Adelaide, at the sources of the Sturt.

My object in it is to save the great expenditure which has taken place from the want of a situation in the neighbourhood of the town to which horses and bullocks, sick or not, otherwise temporarily required, could be sent, and from which grass could be procured for hay for the public service.

The expenses of this establishment are the purchase of the land, 800 acres, and inclosing it with a rough fence; the purchase at the cost price of a small house, which was built by a squatter upon it; the salary of Mr. M'Laren, and one, or sometimes two labourers.

It is connected with the survey, police, and store departments.

At a future period it may become the place of retirement within a short distance of the capital, which it is suitable for every government to possess.

As yet no surveys whatever have been made in reference to pasturage.

In conclusion, I humbly beg to say, I am sensible that, if the expenditure which I have incurred for the past year be authorized by Her Majesty's Government, the self-supporting system, in the manner in which it has been framed for this colony, is at an end; and if the expenditure be not sanctioned by Her Majesty's Government, I individually, and the colony in general, stand in positions of great danger. I was fully alive to these circumstances at the commencement of the current year, as my despatches and reports, I think, will have exhibited to the Commissioners. My Financial Minute in Council of the 3d April 1840, published in the Gazette of the 30th April, was also drawn up in the full contemplation of them.

The habits of 32 years' service, added to the convictions of my own judgment, have rendered departures from orders and instructions, I can say with truth, grievously painful to me. I know too well the dangers of responsibility to court it rashly.

At the commencement of the present year, if I had been situated within the limits of a short communication with England, it would have been my duty, under the conviction that I could not carry out the self-supporting system, humbly to have surrendered the offices which laid the responsibility of it upon me. At the distance of half the world, however, I had not such an alternative; I was compelled to remain at my post.

For the first twelve months of my residence here, especially, I made every effort to accomplish the object of the founders of the colony. After a few months, indeed, my hope began to be against expectation, but still it was honestly and heartily maintained. I hoped that land, as beautiful, as well-watered, and as available as that within the radius of 100 miles from Adelaide, would continue to be discovered in the immense interior; that the influx of population and capital would increase in the same ratio; and that the sales of land would not, for some time to come, diminish. Such circumstances might have enabled the Commissioners to gain time, by permission from Parliament, to increase the loan; might have made the loan and its interest light upon the colony; and might have covered the expenses of the outfit of the colony, great as they have been, and have supported it until a wealthy population, properly settled, could have met the public expenditure and its arrears by internal revenue.

When, after Mr. Eyre's journey across the Port Lincoln Peninsula, and my own to the northward of the Great Bend of the Murray, my hope was destroyed by the evidence that the good land of the colony, within the range of ordinary discovery, was limited in extent, and when other colonies began to draw off the tide of capital and immigration, I had not the power to relinquish at once the trust which had been confided to me of the welfare of this colony.

The twelvemonth during which I was to hold it, before I could receive instructions from England, the second of my residence here, was, I found, to witness of necessity one at least of two sacrifices,—that of the self-supporting system, or that of the reasonable prosperity of the colony.

Placed in this extremity, I humbly confess that, with a clear perception of consequences, I chose rather to encounter the former. A population increasing to 15,000 souls, in a tract of country richly available for the comfortable location of from 200,000 to 250,000, of which also land sufficient for between 50,000 and 100,000 had been already sold, demanded, I conceive, such a decision.

I may be permitted to say, that the self-supporting system was not conceived by me, and that I was not pledged to carry it out, but only to endeavour to do so. This, my duty, I assure the Commissioners, according to means and circumstances, I have most anxiously, faithfully, and perseveringly attempted.

I have said, that I had to witness, in the current year, one at least of two sacrifices, that of the self-supporting system as devised for this colony, or that of the reasonable prosperity

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of the colony itself. It is, however, evident that the sacrifice of the latter might, and probably would, have involved the ruin of both. As it is, one has been preserved. The success of the colony is established, diminished, and checked only by the effects of the gross misrepresentations which have been circulated concerning it.

Notwithstanding temporary depression, it is a thriving community, with great promise of rapid prosperity to the extent that its available land and its natural productions will permit; an extent, as I have before observed, equal, I consider, in the present state of discovery, to the comfortable support of 250,000 souls.

While authorizing expenses, during the past year, for objects essential to the well-being of the colony, wharfs, custom-house, receiving-sheds at the new port, a substantial gaol, a small infirmary, the active progress of the surveys, the opening of great lines of road*, the erection of some bridges, and other operations of great importance, another cause, besides their usefulness, recommended them to my judgment.

The sudden check given to capitalist immigration had communicated an equally sudden stagnation to financial circulation. Since the commencement of the period of depression, the Government outlay mainly has preserved the colony from general bankruptcy, and enabled her to support her working classes. Without it there would certainly have been extensive financial ruin, and very extensive and hopeless destitution; by its aid the community has borne a very heavy shock, and is triumphantly emerging from it. The depression has had the wholesome effect of forcing a rural population; but it was sufficiently severe, as caused by the failure of capitalist immigration.

A check at the same time in the Government expenditure, would have left the settlers without the means of forming rural establishments, and of employing labourers; and would, I believe, have spread insurmountable dismay.

From my arrival in this colony, it has appeared very evident that a rural population alone could permanently prevent financial ruin.

With this conviction, I have pressed on the surveys, have opened lines of road, and have carried on personal explorations. With it also I should, if it had been practicable, have laid heavy imposts upon town residents.

The latter, as well as many other important legislative operations, it was, for the first year and a half of my residence here, really impossible to accomplish.

I am well aware that it must be difficult for inexperienced persons in Great Britain, and even in this colony out of my office, to conceive the reality of such an impossibility, but I trust that men of real experience will do me justice in it.

During the year and a half referred to, setting aside all other hindrances, I had virtually, as to practical legislation, that of not being able to procure one working legal adviser.

The late acting advocate-general, for whose memory, as regards his character and general judgment, I have very great respect, was nevertheless extremely inexperienced in practice, and had a constitution so broken that he was scarcely able to bear up against the pressure of ordinary business. The want of sound and efficient legal practitioners is an unspeakable disadvantage in a new community under a new system, which springs at once into a large population with its multifarious legal and legislative requirements, and in which, in opposition, every man is disposed to be a lawyer.

I hope it will be remembered that I have had to encounter not simply the first experiment of a previously untried system, but that experiment loaded with peculiar difficulties.

Although experience has led me to think that support to a new colony from the parent state is, generally, as necessary to its healthy growth as nourishment from the mother is to the infant, yet I could not say that the self-supporting system might not succeed, under a combination of very favourable circumstances.

It is far from my design to claim for myself exemption from errors in the course pursued. Under the accumulation of complicated considerations increasingly forced upon me, it was not in human nature to avoid them; but I would very humbly urge that, taking that course as a whole, and the circumstances which called for it, none other could have saved the colony.

I have, &c.

(signed) *George Gawler*,
Resident Commissioner.

* Clearing from trees and brush; erecting temporary bridges, &c. expedient for the supply of the survey parties alone.

Paper, No. 31.

Copy of a DESPATCH from Governor *Gawler* to Lord *John Russell.*

(No. 22.)

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

My Lord. Adelaide, 28 December 1840.

I have the honour to acknowledge the receipt of your Lordship's letter of 13th July 1840 (No. 12.), enclosing a copy of a Report to your Lordship from the Colonization Commissioners upon my conduct in reference to finance, and upon the financial affairs of the province.

From the Colonization Commissioners, as a body, (and it is in this sense that for the sake of brevity and clearness I must speak of them), I have received attentions and favours which I shall always be ready gratefully to acknowledge.

Their public conduct also has appeared to me to be influenced by sincere and earnest desires for the success of the work confided to them, to which I will always most willingly bear testimony.

But when, apparently in disappointment at the failure of some of the leading principles upon which the colony was attempted to be founded, they endeavour to throw the blame of the failure upon me, and while doing so charge me, if I understand the report aright, with an offence of the greatest magnitude in a public functionary, something near to contemptuous disobedience of instructions, I trust your Lordship will see that I am compelled to speak plainly in my own defence, and pardon me for doing so.

The charge just mentioned appears to me to be laid in the general tenor of their report, and in passages such as the following:—

"The authority of the commissioners has been quite insufficient to exercise the least control over the colonial expenditure."

"Seeing how completely every direction of the late commissioners has been set at nought."

My Lord, if the authority of the commissioners has been insufficient, it has not been because I have treated it with indifference or disrespect, but because their wishes were not made intelligible to me.

In carrying the imputation to the extent of saying that their directions "have been set at nought," they do me very great and indefensible injustice.

Their mode of establishing the charge, I think your Lordship will see, I have reason to describe as *strangely* inaccurate.

The commissioners commence their complaint against me by stating that they find "there was no want of proper regulations on the subject of expenditure in the colony from the late board of commissioners."

"Proper" in such a case must include *practicable.* In orders, that which is not practicable cannot be proper. Taken in this sense, I assure your Lordship that there was an almost total "want of *proper* regulations" on the subject of expenditure in particular.

Most deeply desirous, from the habits of twenty-five previous years, to pay implicit obedience to orders if I could do so, I nevertheless found myself driven, from the date of my arrival in the province, to lay aside almost the whole of the commissioners' instructions on the subject of finance as absolutely impracticable, and to proceed upon the authorities which they had given me to act upon my own judgment in cases of emergency.

These are as follows:

"Neither are you to incur any expense of a special or extraordinary nature without their previous authority, except in cases of the most pressing emergency, when such previous authority cannot be obtained without serious injury to the public service."

(Instructions in regard to Receipt and Expenditure, Art. 9.)

"If at any time you should be of opinion that the observance of your instructions will lead to serious evil, you are hereby authorized to make such deviation as you may consider necessary, on condition of your submitting to the Board a full statement of your reasons for so acting with as little delay as possible."

(Delegation of Authority, Art. 6.)

I feel it strange that the commissioners, while detailing to your Lordship the powers conferred upon me in order to prove to you that I had "*set them at nought,*" do not in the slightest degree allude to these *extraordinary* delegations of authority; delegations which, unless the commissioners can show that the province has not been in a state of great emergency, and that I have not specifically reported it to have been so, negative every charge of disobedience of instructions.

I would

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

I would at once admit, that which I have most earnestly represented to the commissioners, that my communications to them have not, from pressure of local duties under most inconvenient and trying circumstances, been so full and regular as I could have wished them to have been; yet my correspondence has been very considerable; and, as the following extracts from my letters will show, the impossibility of complying with their instructions, and the necessity for all the great leading increases of expenditure, have been most explicitly declared to them.

Should your Lordship desire further evidence of the manner in which I have urged these points, I request you to have the goodness to call for and peruse my complete letters to the commissioners of

26 October -	1838, No. 7.	17 April - -	1839, No. 16.
5 December	1838, – 10.	18 April - -	1839, – 17.
23 January -	1839, – 7.	28 May - -	1839, – 20.
2 February	1839, – 8.	18 July - -	1839, – 25.
8 April - -	1839, – 14.	23 August -	1839, – 27.
8 April - -	1839, – 15.	3 December	1839, – 52, from Mr. Hall,

and *all my half-yearly reports.*

EXTRACTS.

(No. 7.)

Adelaide, 26 October 1838.

NINE days after my assumption of office.

"Upon some points I must, in the strongest manner, solicit the commissioners' most indulgent consideration. In them I am about to incur the heaviest responsibilities, but from which I could not shrink, without endangering the finest prospects of this most beautiful colony, and without shrinking from my duty to the commissioners.

"I find the establishment of public officers in this colony much beyond the authorized establishment furnished me in England: I am persuaded that with the consent of the council, I must not only keep up, but probably increase the existing establishment.

"The population, the trade, commerce, and sales of land are much greater than was anticipated in England, and the work for public servants is increased in the same proportion.

"The establishment of surveyors is altogether unequal to the demand for land; 21,000 acres of *preliminary* purchases remain unsurveyed, and, of course, the great mass of subsequent purchases unprovided for. Great disappointment has been experienced on this subject. It is my intention, with the consent of the council, to put on every surveyor that I can procure, until the survey comes up, or nearly up, to the demand."

"The profits of capitalists are great; provisions, wages, and house-rent are very high; all prosper but the servants of Government; to retain them in their places it will be necessary to increase their salaries, at least of the junior classes, to something like a proportionate scale to those of private offices."

"The colony itself is most flourishing. I have great confidence that a proportionably large revenue may be raised from it, and that in many things public expenditure may be reduced. Care and exertion shall not be spared on my part to accomplish these objects; but until they are attained, I must surpass my instructions, and look to England for considerable unauthorized pecuniary assistance. I trust that in this circumstance in particular, the commissioners will favourably consider my very trying and difficult situation.

"It was, I hope it may be testified of me, always my practice to obey orders and instructions with conscientious precision; it will be so again as soon as it can be done with faithfulness to my charge, but placed as I am in circumstances unforeseen at home, with the breadth of the world between the colony and its only point of reference, and with a rapidly inflowing population, the current of which hesitation would check and turn off to other colonies, I am, I conceive, bound in duty to incur all necessary responsibility, and with the advice of the council, to act according to the emergency."

(No. 8.) 27 October 1838.

"The expenses of the survey are a heavy drain upon the expenditure of the colony.

"It appears to me that they are fairly chargeable to the emigration fund, and that purchasers generally would be most willing to give more for land, in order to obtain it without delay, if an arrangement of this kind were correct and feasible."

(No. 10.) 5 December 1838.

"I shall use my utmost endeavours to send detailed statements of all the accounts of the colony with my half-yearly report in January next.

"At present anything approaching to such regularity is impracticable.

"The accounts both of public monies and stores are in great confusion. Until system is introduced into the different public departments, I intreat the forbearing consideration of the commissioners with regard to any irregularities or neglects of which I may appear to be guilty.

"I assure them that I am labouring earnestly to establish method and order, of which hitherto there have been very little."

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

"As opportunities offer of getting bills discounted at par, I propose to continue drawing upon the commissioners for the liquidation of proper, well proved, and urgent debts. I cannot well describe to the commissioners the evil effects which would ensue if I were to delay this measure until I could obtain their sanction to it, but trust that when they consider the extremely delicate character of the financial affairs in a colony such as this is, they will, without difficulty, comprehend all the evil effects I allude to, and will approve of the course I am adopting."

(No. 7.) 23 January 1839.

"I lament that I have occasion to report to you, for the commissioners' information, that the land office and the surveyor-general's offices, in Adelaide, were totally destroyed by fire on the afternoon of yesterday.

"These buildings were constructed entirely of wood, and thatched with reeds, so that the fire had obtained considerable vigour before it was perceived."

"Under the circumstances it is necessary that new offices for the transaction of the business of these two very important departments should be erected without delay; and in determining their site, I shall give due regard to concentration, as I consider readiness of communication between the several branches of the colonial government to be essential to the satisfactory and accurate procedure of public business."

(No. 8.) 2 February 1839.

"I regret much to say, that for some time at least it will be impossible for me to comply with that article of my instructions which requires that no money should be drawn in advance, and that the purposes for which sums are required should be specified in the bills in which they are drawn for.

"The state of the finances and the financial system, the deficiency of system in every public department, the inadequacy of the sum allowed for quarterly expenditure, the impossibility of complying with many of the commissioners' most prominent instructions, are most deeply harassing to my feelings. I am fully aware that such things, viewed from England, at a distance of 16,000 miles, and standing in conjunction with the most unprincipled and disingenuous misrepresentations of a knot of persons in this colony, of which the Southern Australian newspaper is the principal organ—I am fully aware that such things are calculated in the highest degree to make the commissioners doubt if I am not betraying the very great trust they have reposed in me."

(No. 14.) 8 April 1839.

"I have the honour to enclose, for the information of the commissioners, the treasurer's accounts of receipt and expenditure for the quarters ending the 31st December 1838 and the 31st March 1839. I ordered the different items to be classified under their proper heads. These documents, I hope, will give a view, in some degree satisfactory, of the situation of the affairs of the colony in the very important particular of *finance*.

"I am deeply anxious that in the workings of this branch of the colonial administration, above all others, everything should be clear and regular. I have directed, and will direct my attention unremittingly towards it, and assure the commissioners that to the utmost of my power their instructions, of which I have just received the new form, shall be complied with.

"Nevertheless I would urge, with the deepest respect, that their orders are rather perfect regulations for a perfect colony than instructions for a new settlement which has but just sprung into existence,* and of which the affairs have until lately been in a state of great confusion, without system and without regular records.

"There are not at this time in the colony men who can carry a regular system of government into effect.

"For the present public officers in general I have sincere respect and regard, but to this it must be added that many of them, among others the colonial treasurer and storekeeper, are altogether unacquainted with the principles of official routine and regularity. It is with the greatest difficulty, and only after long and tedious delay, that I can procure from them the most common returns."

"One very great cause of the negligence and irregularity which has prevailed in the transaction of official duties, is the utter inadequacy of the salaries of public officers to their expenses. Soon after my arrival in the colony, some of these gentlemen intimated to me directly their intention of resigning, unless their salaries were raised; others did so indirectly. These two classes included some of the most able and active men in the public service; an extensive body remained of those who, on principle, gave up a large proportion of time to their private pursuits, on the plea that the insufficiency of their salaries rendered such a course absolutely necessary for their existence.

"It became, therefore, imperatively requisite, as a first step towards order in the dispatch of public business, to raise the salaries of a large proportion of them.

"I have done so, commencing from the 1st of January 1839, according to the accompanying returns.

"The

* A respectful mode of expressing my conviction that the instructions of the commissioners were almost wholly inapplicable to the colony as it was.

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

" The principal officers have, generally, been left as they were, for the consideration of the commissioners. Most of them have private means of support, and from principles of honour and zeal for the colony will probably continue in their stations, at least until their circumstances have been reported to England. It has been, however, absolutely necessary to give those who were appointed *pro tempore* the full pay of their respective ranks.

" Regarding the junior officers, I can affirm with confidence that there is not one of them overpaid, and that, according to the rate of expenses in the colony, they have barely the means of decent subsistence.

" I enclose, for the information of the commissioners, the proceedings of a Board which I ordered in reference to this subject. I have also been compelled, as the commissioners will perceive by the returns, to increase the number of public functionaries.

" This measure has been rendered absolutely necessary, among other reasons, by the work of bringing up the heavy arrears of business in every department; and the increase of the colony in population and extent will probably make it impossible, even when these arrears are brought up, to diminish the establishment.

" In acting on my own responsibility in these and similar cases, I do not overlook or undervalue my instructions. I trust, as in a former letter I ventured to observe, that those under whom I had the honour of serving in trying circumstances, for long periods of time, would testify that it was not my practice to rush recklessly into unnecessary responsibility.

" In my present situation there is only the alternative between destroying the most brilliant prospect of colonization that was ever presented to the world (such is my conscientious opinion of it), or of acting decidedly and promptly on my own judgment, according to the extraordinary circumstances with which I am surrounded*.

" I prefer infinitely the latter.

" I trust to the very deep anxiety which I believe andam persuaded the commissioners feel for the success of the work with which they were charged, and to the spirit of confidence with which they have treated me, to justify my conduct among themselves, and to lead them to plead in its justification before Her Majesty's Ministers.

" I can boldly say, that looking to their own instructions, the cases in which I depart from those instructions ' are cases of the most pressing emergency, when the previous authority of the commissioners cannot be obtained without serious injury to the public service.' "—(Instructions to the Resident Commissioner, Art. 9.)

" In drawing bills, the only occasions on which I prefer to negotiate them through other channels than that of the South Australian Company, are those in which higher rates of premium can be procured than the company offer.

" It is difficult to comply with the regulation which requires the object of expenditure to be described with the bill. Private individuals require sums with which the items of expenditure will not coincide with anything like precision, and without something near to precision it is an unnecessary form.

" Current expenses cannot, in our present irregular state, be precisely calculated, and yet such are the circumstances of the colony that they must be met. To this I would further add, that in connexion with the prying, unjust, excitable spirit which prevails among some few of the persons with whom I am surrounded, the frequent publication of the amounts of detached portions of the expenditure is calculated to give food for political agitation. I have not the slightest desire for concealment with regard to the accounts; will publish quarterly abstracts of them in the Gazette, and will most carefully forward quarterly details of them to the commissioners. It is only to the exhibition of them in portions that I have a strong objection, and would submit it for the consideration of the commissioners.

" I assure them that I will not enter into expenditure of any extraordinary character without immediately communicating the causes and objects to them, neither will I allow of any long outstanding claims."

" I freely confess that, while looking with most confident expectation to the prosperous progress of the colony, I am distressed at the state and prospects of its financial affairs. For this reason however, only, that I cannot close my eyes to the fact, that they menace the self-supporting system which the commissioners, and I as their delegate am pledged, if it be possible, to carry out. Of my duty with regard to it, I assure the commissioners I never lose sight, but still that duty can only be performed with a due regard to those arrangements which are essential to good government and to common justice in the remuneration of public men.

" It has been found absolutely necessary to increase the police force beyond the number authorized in Lord Glenelg's letter of the 18th May 1838.

" The survey system in its ordinary course is peculiarly expensive, from the circumstances that the land is surveyed before it is chosen, and that it is divided into portions much smaller than purchasers in general require. Large tracts of surveyed land remain unappropriated, and the trouble of marking out small sections is almost as great as that of marking out large ones."

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* Population was then flowing in with an almost *appalling* tide, into a country of which I knew the capabilities to be very great.

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

(No. 15.) 8 April 1839.

"Since my arrival in this colony two subjects, involving considerable extraordinary expenditure, have been primarily forced upon my attention, the necessity of erecting a government-house and public offices.

"The accommodations and condition of my present habitation are truly miserable. On these points I request the commissioners to read the minutes of Council of 29th October 1838.

"The public offices that have been built, or are now rented at the public expense, are few in number, very inconvenient in accommodations, and scattered over a large extent of ground. The land and survey offices, that were destroyed by fire on the 22d January 1839, were the best of the number. Owing to the rapidity with which the population is increasing, and to the peculiar workings of our land and emigration system, the public business of the province is *very great*. It is, I need scarcely say, of the utmost importance to introduce regularity into the transaction of it, and yet it is impossible to do so with our present accommodations.

"Under such circumstances, after long and anxious consideration on my part, the question reduced itself, not to whether a government-house and public offices should be built or not, but to what was the manner in which they could be erected to the best advantage at the least expense.

"On these points, I endeavoured at first to get the formal and written opinion of influential colonists, as the accompanying report will exhibit, but could not succeed. The excitement of private interests is so great, that private individuals who will willingly give their time and attention to public objects are not to be found.

"It is with the greatest difficulty that public inquiries of the most ordinary kind are got up and prosecuted.

"From private conversations, I have reason to believe that the colonists in general are desirous that a government-house and public offices should be built, and that it would be considered highly disadvantageous if they were built on temporary plans with temporary materials.

"To me, personally, it was a matter of indifference whether the buildings were of a temporary or permanent character, but for the colony, it is, I conceive, very important that large sums should not be expended on edifices which would soon require to be replaced.

"It would have given me great satisfaction to have submitted these considerations to the commissioners, for their approval, but in the state, progress, and prospects of the colony, it is truly impossible, in cases like those at issue, to delay for a twelvemonth without a decided course.

"I have therefore, with the consent of the council, decided on proceeding with about two-thirds of the building fully required for a government-house, and with about one-half of that fully necessary for public offices. I have also ordered to be omitted several appendages to the government-house, such as verandahs or screens, for the windows, which, though they are in this climate almost essential to reasonable comfort, may be dispensed with. I am not aware of a single arrangement in any of the buildings which has not been limited by the strictest reasonable economy."

"In addition to these extraordinary expenses, there are others which I contemplate with anxiety, and into some of which I have been obliged partially to enter.

"The principal of these are:

"1. Small custom-houses for subordinate officers and boats' crews at the New Port, at Glenelg, Onkaparinga, Encounter Bay, and Kangaroo Island.

"2. Small police stations at these places.—From the character of the coast and country, acts for the imposition of customs would be mischievous and unmeaning forms without preventive stations, and such is the description of sailors who frequent our ports, corrupted as they have been by intercourse with whalers, that very active and efficient measures of police are absolutely necessary with respect to them.

"I have good reason to believe that the revenue has already been defrauded to a large extent, and that shortly the Customs Act will become inoperative unless the fair trader is sufficiently protected.

"3. A court-house.—The present temporary building occupied daily by the resident magistrate contains one apartment only, no jury-rooms or offices of any description.

"4. A gaol.—The present building is the most deplorable contrivance for confinement that can be imagined; since I arrived in the colony, six prisoners have escaped from it, the others have only been kept in by police sentries.

"5. A native village.—The present location is useless; it is in a bad situation, and in design is not at all suited to their habits.

"Every day renders their position in reference to the settlers more dangerous; and it is of great importance that decisive measures should be taken to induce them to occupy fixed habitations.

"I have good reason to think that many of them are anxious to live in houses, and I have ordered three small ones to be built to commence the experiment; to these are to be added a school-house and two very small houses for the German missionaries.

"6. A new emigrant depôt.—It has been formally reported to me by the emigration agent and Mr. Kingston, that the present buildings are unfit for occupation and in too defective a state

a state to be worth the expense of repairing. The materials of which they were constructed were exposed for a considerable time on the beach; they were then put together by inexperienced persons, and have been left in the rough wood, without paint or preservation covering of any kind. They are without fire-places; there are no kitchens and no privies, nothing in fact to render them decent and comfortable. Governor Gawler to Lord J. Russell, 28 Dec. 1840.

"7. An infirmary.—Sick persons, some of them in a state of insanity, are frequently thrown upon the government without friends and without means. Sick sailors, whose daily expenses are paid, are numerous, and accidents are rather common. A fund is on foot for contributing to this object, but it will be very long before it can be sufficient to meet the expense.

"The present hut is crowded with sick patients. As yet I have not been able to procure from Mr. Kingston plans or estimates of any of these. His business, like that of every active man in the colony, is so great in amount, that he cannot keep pace with it.

"I shall not proceed with any of them, except as far as I may be driven to do so by absolute necessity. I feel how difficult it must be for the commissioners to estimate that necessity, especially as this colony in its past and prospective increase of population, is unlike any that have preceded it; but I entreat them, as far as it may be possible, to realise all the circumstances of the colony, and to place themselves in my position.

"Before the necessary forms of a mere settlement have been regulated and established, it is passing, in the amount and requirements of population, into a large colony.

"Before an answer can be received by me to this letter, South Australia, in all reasonable probability, will contain upwards of 10,000 souls."

(No. 16.) 17 April 1839.

"The services of every good surveyor of good character that presented himself were accepted. Several came immediately from the neighbouring colonies, and there is now under the surveyor-general a force of nine good surveyors in the field, and a town surveyor and three draftsmen in Adelaide, two of the latter being available for the field when the public service requires it."

(No. 17.) 18 April 1839.

"The commissioners may rest assured that I will not knowingly suffer debts to accumulate in any way, so that henceforth the disbursements will convey to them a tolerably accurate idea of the state of the public finances. They will, I trust, perceive the statements which I have made, that the authorized sum of 2,500 *l.* per quarter is really inadequate at present to the necessary requirements of the province. The salaries alone, at the amount to which I have been compelled to raise them, in order to hold the frame of government together, and to establish some prospect of regularity in public business, nearly absorb the allowance.

"In addition to the expense required for the officers of the colony, every man and (in want of Government stables) every horse in the public service is maintained at an average rate of not less than 100 *l.* a year."

(No. 22.) 22 June 1839.

"I had written a letter, to the number of the present communication, informing you that I had the satisfaction to enclose the long promised returns of receipt and expenditure. I did so from knowing that these returns were complete, and that I should consequently receive them in time for the mail. When, however, they came into my hands, great errors were so evident on a mere superficial inspection, that I felt it necessary to return them to the treasurer for further examination and correction.

"The conversation which took place between Mr. Gilles and myself in connexion with this step, produced an offer from him to resign the office of treasurer, if he might be appointed to that of auditor-general.

"The commissioners will not, I hope, consider me guilty of unjustifiable leniency in having closed with this offer, instead of removing him altogether from the public service. It is true that orders and remonstrances, given at intervals during the whole period of my residence in the province, have been neglected by him, and engagements founded on them broken, and this too when he was allowed all the assistance that he requested, two additional clerks, and Mr. Stevenson at times, in furtherance of his duties; but to balance this, he is, I believe, a truly respectable, honourable, and well-meaning man; he has rendered essential services to the colony, and is overflowing with zeal for its prosperity*.

"My principle has been to establish a paternal, rather than a judicial, system of government, and with this it was not consistent to subject Mr. Gilles to the disgrace of ejection from a high permanent office without allowing a step to break the fall.

"With a correct methodical treasurer, closely superintended by the commissioner and assistant-commissioner, financial routine will work well, even if the auditor-general be inefficient. With an inefficient treasurer, including in himself the offices of collector of revenue and accountant-general, it is not possible to emerge from the confusion into which the accounts of this province have fallen.

"There

* Mr. Gilles was one of the original appointments by the Board in England, and I had reason to think, was strongly supported by it.

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

"There is not in this province any person calculated for the office who would give up his present engagements to accept it.

"A gentleman in Van Diemen's Land, Mr. Jackson, has been strongly recommended to me, as being of high character, good talent in accounts, and likely to engage in such a situation. I have therefore directed that he should be written to on the subject, as time should not be lost."

(No. 25.) 18 July 1839.

"The necessity for taking such steps fills me with almost overwhelming solicitude.

"I look round with continual anxiety to discover how that necessity can be reduced or avoided. I examine and sign every bill that is paid, and inquire into the proceedings of every department without discovering any mode of lessening, with reasonable regard to the security and progress of the colony, the very heavy responsibility that the financial affairs bring upon me. I shall speedily formally call the attention of the council to the public receipts and expenditure, and have confidence that that body will most cordially support me in declaring to Her Majesty's Government and commissioners the absolute necessity which has existed for incurring the charges, and the impossibility hitherto of meeting them by any considerable increase of revenue.

"The expenses of the survey department are enormous.

"In that department I have had, in every respect, to commence anew: it has been necessary to purchase instruments, marquees, tents, carts, and horses.

"The surveys are no longer confined to points on the coast which may be reached by water, or to the mere plain of Adelaide, as they were before my arrival in the colony; they now extend inland to Currency Creek, on the Lower Murray, to Mount Barker, Mount Torrens (at the head of one of the principal branches of the Torrens), and to the neighbourhood of Lynedoch Valley; the communications with these are across many very difficult tracts of country, and the expense of transport very great.

"The hire of bullocks, the wages of labourers, and the prices of provisions are very high, and everything must be sent from Adelaide; there are as yet no secondary towns from which supplies can be drawn.

"Notwithstanding these difficulties, the surveys must be carried on rapidly, not only for those that are here to occupy land, but for the thousands who are coming out to take possession of the 100,000 acres which have been purchased for their occupation."

(No. 27.) 23 August 1839.

"I assure the commissioners, that to the best of my very anxiously formed judgment, in taking the extraordinary steps with regard to finance, I am only yielding to most imperative and unavoidable necessity; I have no present alternative; the affairs of the colony could not go on without such assistance.

"Desiring, to the utmost of my power, to satisfy the minds of the commissioners under the most trying circumstances in which both they and I are placed in this particular, I enclose an abstract statement of the receipt and expenditure, from the commencement of the present quarter to the 19th instant. By this they will perceive that the great and extraordinary proportion of the expenditure arises from the police, public works, the survey and the emigration departments.

"With regard to the first of these, extended as the inhabited districts of the colony are becoming, it would be very unsafe to reduce it. Two days since, a deputation from a very influential body, the principal sheep proprietors, waited upon me to request that it might be augmented.

"In reference to the second particular, 'public works,' far from running into extremes, beyond our absolute necessities, I assure the commissioners, that to the best of my judgment, and of, without exception, that expressed by all I converse with on these subjects, imprudence appears rather to rest on refraining from commencing others,—a gaol, an infirmary, and a new emigrant depôt, a suitable court-house, and a bonding-store in Adelaide; and on framing several now in progress, police and survey stables at Adelaide, and the necessary buildings at the country police, survey, and custom stations, of low-priced temporary materials, which in this country are peculiarly subject to destruction, and in danger from fire.

"On the subject of the survey the commissioners have done me the honour to give me most extensive powers, and I trust it is evident to them that the capabilities of that department are still much below the demands of the colony. The special surveys have added indescribably to the extent of the work to be accomplished. The country is peculiarly intricate, and the distances to a large number of them so considerable, that as yet it has been impossible to form any calculation regarding them, or to take over even the external boundaries of the greater proportion of them. Still it is of *very great* importance, in reference to them, that time should not be lost. Labour, provisions, the rates of hire of draught oxen or horses, are very high. The expenses of surveying are increased in a most extraordinary proportion by distance from the centre of supplies, and the character of the country as to intricacy and deficiency of population.

"The general expenses of the immigration department are beyond control. The baggage of the immigrants must be brought at rates which, in England, would be considered very extravagant, to Adelaide; they must be lodged in reasonable comfort in the depôt, be provided with food, and, when they are sick, with nurses and medical comforts. The charge for these two last items, during the last six months, must appear enormous. The number

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of sick in the emigrants' depôt, especially of those afflicted with scurvy and dysentery, has been very great, and the medical comforts peremptorily required for them extraordinary in quantity, and of an expensive description; port wine, fresh meat, and other articles, which stand at peculiarly high prices in the colony. Governor Gawler to Lord J. Russell, 28 Dec. 1840.

"I make these remarks anticipating my half-yearly report, in which I will endeavour to give to the commissioners the closest information.

"I beg them to believe that that report is not delayed from inattention to their instructions or to my own duties, but the pressure of public business, especially as connected with the inexperience of a large number of public officers, and a want of some important functionaries, and with most inconvenient office accommodations, is indescribably great."

(No. 52.—From the Private Secretary.) 3 December 1839.

"With reference to the ninth paragraph of your despatch, No. 43, May 31st, 1829, I would beg to be allowed to repeat here the request which, in the commencement of this letter, I offered to the commissioners, to the effect that if, on any occasion, the resident commissioner should fail to transmit to them despatches conveying information of as recent date, and as fully detailed as that which may be received in private letters from the colony, the Board will have the goodness to attribute this circumstance, not to any disregard on Colonel Gawler's part of their instructions, but, on the contrary, to his Excellency's anxious solicitude for the faithful and honourable execution of his important trust, the variety and complexity of the duties of which are such as to render it absolutely impracticable for him to transmit to England such a series of despatches as the commissioners are anxious to receive, and as his Excellency is equally anxious to send to them. I do most conscientiously entertain a firm conviction that, if the commissioners could be in any degree aware of the actual position of a governor and resident commissioner of South Australia in the present state of the province, they would readily and entirely absolve his Excellency from every suspicion of a desire to shrink from the strictest practicable observance of their instructions, in every particular in which he, actuated by a sincere and anxious solicitude for the real and permanent welfare of the colony, and knowing the commissioners to be influenced by the same motive, believes that, if they were aware of all existing circumstances, they would wish their instructions to be implicitly followed.

In such a case, the reiterated expression of the commissioners' disappointment at the non-observance of their instructions with respect to punctual correspondence, explicit letters of advice of bills drawn, and other particulars in which circumstances render a strict compliance with the commissioners' wishes impossible, must be and is painfully harassing to his Excellency."

Another omission in regard to powers conferred, which I have reason to consider as very extraordinary in a report which professes to describe "the principal items of sanctioned and foreknown expenditure," is that of an authority of the most extensive and emphatic description, given to me in reference to the object of the greatest expenditure, the survey department. It runs as follows:

Extract.

(No. 85.—Land.) South Australian Commissioners' Office, Adelphi Terrace, 2 December 1838.

"Yesterday the Colonization Commissioners received despatches from the resident commissioner, dated Adelaide, 14th July, stating that the surveyor-general had resigned, and that his resignation had been followed by that of the greater part of the assistant-surveyors.

"Under these circumstances, the commissioners are desirous of placing, and do hereby place in your hands the fullest and most ample powers to re-organize the surveying staff, in whatever manner and to whatever extent may appear to you most expedient, in order to render it efficient, and to remedy, as far as may be practicable, the interruption and delay in the progress of the surveys, which these resignations have occasioned.

"Reposing the fullest confidence in your zeal, energy and discretion, the commissioners will not attempt to fetter or impede the free exercise of your judgment, by prescribing instructions, or by tracing out any particular course of proceeding for your guidance.

"The objects to be obtained are, to expedite the surveys, and to place the purchasers of land upon their locations with the least possible delay; and the commissioners have only to request that the arrangements which you make for their attainment may be regarded only as provisional and temporary; so that it may be left open to the Board, when fuller information shall be received, to determine upon what scale the surveying staff shall be permanently established. The commissioners hereby authorize you to incur any additional expense on account of the survey which you may deem essential, whether it be in increasing the strength of the surveying staff from the neighbouring colonies, or in contracting with private surveyors for the rapid execution of any given quantity of work."

The direct force of this authority ceased with the arrival of Mr. Frome in the colony; but as in the expression of their desires concerning this gentleman's proceedings the commissioners still kept prominently in view the high importance of the duty of pressing on the surveys, it had, in connexion with other communications to myself, and with the commissioners' public representations in their annual reports, the greatest possible influence in convincing me that the commissioners anxiously desired to carry out their formal pledges

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

to the public that the surveys should be in advance of the demand, and in leading me to press them forward by every possible means. That, with the greatest activity and intelligence on the part of the surveyor-general, the surveys have not even yet overcome the land actually purchased, is, I conceive, a sufficient evidence that the case was one of the greatest emergency.

The commissioners, in their report to your Lordship of the 7th July 1840, proceed to state that—

"The resident commissioner was desired not to undertake any public works without first submitting plans and detailed estimates to the Colonization Commissioners;" and in the continuation of the report, in connexion with this subject, they state that, "On the 13th November 1839 they approved of the commencement of a government-house and other public offices, of which the total cost was estimated at 25,162*l.*, but the portions immediately undertaken were not calculated to exceed 11,281*l.* Such (referring to these and objects before described) being the principal items which we find to be recorded of sanctioned and foreknown expenditure."

Every person who might read this passage, unacquainted with the complete facts, would, I conceive, distinctly understand, as your Lordship may have understood, that the building of these *very great* objects of expenditure, the government-house and public offices, were "sanctioned and foreknown" by the commissioners *before* they were commenced in the colony. This was not the fact. I do not presume to bring a charge of intentional misstatement against the commissioners; the sentence may bear a meaning applicable to the real case, but the first sense I conceive to be the most obvious. While the fact as it occurred is so important, as exhibiting the opinion I ought to entertain of the light in which the commissioners regarded my departure from their instructions, that I request your Lordship's particular attention to it.

The real fact is this: that the commissioners did not approve of buildings *to be commenced*, but of buildings which they knew *had long before been commenced*, and which they had reason to suppose, from the lapse of time (on the average a twelvemonth), would be completed before their sanction could reach the colony.

Mr. T. Gliddon to Lieut.-Col. Gawler, 15 Nov. 1839, (No. 94.) *Vide* p. 250.

They also at the same time approved of the principle I had adopted of constructing public works and buildings *in a substantial manner*, and in no way whatever expressed regret or dissatisfaction at the steps taken.

An extract of the report from me, which produced the sanction from the commissioners, has been already given at page 243, (No. 15,) 8th April 1839.

The commissioners commenced the government establishment on the principle of giving very low salaries to public officers, and of allowing them to engage at their pleasure in commercial pursuits and other speculations.

I did not hear of this arrangement until I arrived in the colony, and as there were no formal instructions on the subject, and as the system was producing the most injurious and discreditable effects, I felt it right at once to put a stop to it, and to increase to something like reasonable extents the salaries of public officers, who could not be retained in their places, or made to do their duty, without such increases.

Vide pp. 299–301.

These circumstances I reported strongly to the commissioners.

Vide page 299.

On coming to the colony, I found that several indispensable functionaries, the sheriff, resident magistrate, coroner, postmaster, a governor of the gaol, or gaoler, &c., had been altogether omitted in the establishment. As business rapidly increased, I found also that the establishment of clerks was much too small, and in both cases I of necessity increased the number of public officers. The commissioners, *without the slightest censure*, replied to my reports on this subject in the following terms:

(Extract, No. 43.) 31 May 1839.

"In despatch No. 7 (Miscellaneous), you refer to the more important subjects which have occupied your attention since your arrival in the colony, as certain official appointments and the state of the surveys, &c. You speak of the peculiar difficulties under which you are placed, and call upon the commissioners for aid and support.

"In reply I am directed to assure you that the commissioners will do everything in their power to sustain your proper authority; that so far as their information enables them to judge, they fully approve of the steps you have hitherto taken, and that you may safely rely on their efficient co-operation in all measures calculated to promote the welfare of the colony.

"The commissioners have referred to the several letters of instruction which you carried out, and to those which have been subsequently forwarded to you. These instructions appear to the commissioners to be well calculated for the circumstances of the colony, and they recommend them for your careful and frequent perusal. You will observe that while certain rules are laid down for your guidance, you are authorized to deviate from them under peculiar circumstances, and on certain conditions, one of the most important of which is, that the grounds for such deviation shall be placed fully and without delay before the Board.

Lord Glenelg to Lieut.-Col. Gawler, 18 May 1838.

I brought with me to this country, authority to form a mounted police force of, at the extreme, one superintendent, two serjeants, 20 constables, at a time when its population consisted of about 4,000 souls, when its capital was a very small town, and its occupied territory was limited to the plain of Adelaide, with three or four scattered sheep stations towards Mount Barker.

The

The police force now consists of one inspector, two sub-inspectors, six serjeants, 54 constables foot, and one inspector, one sub-inspector, five serjeants, 55 constables, mounted men; when its population has run up to 16,000, its capital has become *immense* in thickly occupied extent*, and its occupied territory is about 100 miles in length by 40 in breadth, not including outposts.

The commissioners have omitted to mention my authority for the original force, and have also omitted the following subsequent authority from themselves, which, if taken into consideration in their full bearing, will justify the fullest increase that has been made.

(No. 16.) 1 March 1839.

"The gentlemen who have purchased the 9,000 acres of land for the purpose of establishing one or more secondary towns (*vide* Despatch, No. 2, Land,) are particularly anxious that early measures should be taken for the protection of any settlers who may be located at such towns.

"The commissioners request your particular attention to this point, and authorise you to organize a sufficient police for the temporary protection of these and any other secondary towns that may be established."

(No. 35.) 10 May 1839.

"I have to request your particular attention to those parts of the correspondence which have reference to the local protection of the proposed town."

The commissioners sent out the materials of a mud barge for lowering the bar of the port, and by so doing, I conceive, authorized its construction and employment.

The work done by it has been very necessary, but very expensive.

In the report to your Lordship, it is stated that the commissioners intimated to me that they would be ready to afford the necessary pecuniary assistance to any moderate extent in carrying into effect a plan for constructing a wharf at Adelaide.

"To this subject the commissioners impressively required my immediate attention in their despatch (No. 32,) 13 April 1839, 'if the necessity of providing against the injurious delay complained of had not been already considered.'

Mr. Wheeler's letter which accompanied this despatch will exhibit to your Lordship the nature of the work and its emergency.

South Australian Company,
4 New Broad-street, 9 April 1839.

"I am instructed by the Board of Directors of this company to bring under the notice of the Colonization Commissioners the great delay incurred by almost every vessel proceeding to Adelaide in the discharge of her cargo.

"A detention of one, two, or even three months, frequently occurs, by which not only a most serious expense is entailed upon the shipowner, and injury done to the remaining voyages of his vessel, but a strong and hurtful prejudice is arising to give one of the most fatal checks to its advancement which the colony has ever experienced.

"The opportunities which several of the directors possess of frequent communication with many leading shipowners and merchants have induced the present representation to your Board, the company being satisfied of the extensive existence of such a feeling, which induces many vessels to be sent to other places where greater expedition is secured. This opinion is verified by the fact, that the company had fixed Friday last for receiving tenders for freight of goods to South Australia, and did not obtain a single offer, and it is also corroborated by a report (presumed to be correct) that on the same day scarcely any tenders were made for the commissioners' emigrants to go out in June. So far from the probability of such a result, the opportunity of both passengers and goods to the colony would in ordinary cases stimulate competition.

"The directors make the present representation from the sole motive of benefit to the colony; and they beg respectfully to suggest to the commissioners whether some means cannot be devised to remedy the evil; whether the interests of the colony would not deserve the speedy construction at the public expense of a proper wharf or landing place accessible at all times of the tide by vessels of the tonnage usual in the Australian trade, and whether it may not be expedient to promulgate a general notice that instructions had been given to the local authorities to afford every facility to vessels in discharging their cargoes.

"The directors beg to be absolved from any supposition of a desire to dictate to the commissioners, but they have ventured to offer the preceding remarks for the consideration of your Board, who might expect that the company, in soliciting their attention to the evil, should suggest some measures calculated for its remedy."

The most moderate expense for carrying on such an undertaking at colonial wages and prices, in a mangrove swamp, could not be small.

In all the documents and communications issued by the commissioners, from the date of my appointment to office until the report which your Lordship has enclosed to me, *there never was the slightest censure passed on any portion of the expenditure* which I had directed.

To the best of my knowledge and recollection, until that report appeared the commissioners had expressed disapprobation only on the following points:—

That

* Including suburbs, four miles and a half from N. E. to S. W.; four miles from N. W. to S. E., with a population of about 8,000 souls.

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

That I did not give them sufficient information; and
That the letters of advice accompanying money-bills were not filled up according to their directions.

With regard to the first, I would respectfully draw your Lordship's attention to the preceding extracts from my communications during the first 14 months; they, I think, prove that there was an extensive correspondence, and that there existed the deepest anxiety on my part to comply in this and every other particular with the commissioners' wishes.

I assure your Lordship that (to use the words of a writer in one of the provincial journals concerning me), I have "drudged" at the work of the colony from my arrival in it to the present time; rising early and working late, and almost entirely throwing aside private correspondence, affairs, recreations, and even necessary exercise.

I could not do more than man could do, and after having most heartily and earnestly done all that I could, and after having explained most earnestly to the commissioners my utter inability to do more, I trust your Lordship will pardon me for saying, that it is most revolting to my feelings that the commissioners should still complain to your Lordship—

"We need not say with how much regret and embarrassment we perceived the constantly increasing amount of these demands *unaccompanied, we are sorry to state, by any clear explanation of their causes!* or by the least indication of what was to be their limit."

I would humbly express to your Lordship, that the view here taken by the commissioners is very different from mine, for my conviction is, that all the great causes of extraordinary expenditure were, from the commencement of my administration of the affairs of the province, most distinctly and earnestly brought before them.

With regard to "indications of what was to be their limits," I would defer a reply until I come to the subject of estimates.

In regard to the second point, that the letters of advice accompanying money-bills were not filled up according to their directions; I would refer your Lordship to the explanations given in the accompanying extracts from my letters, pages 300 and 301, and to the communication to me from the commissioners, (No. 93,) 15th November 1839.

Appx. p. 248.

"Under the circumstances stated by you, the commissioners would forbear to press for the invariable insertion in the letters of advice of the object of expenditure, but they trust that when practicable, this regulation will still be attended to."

I also beg, most particularly, to request your Lordship's attention to a despatch* which I have just written to them on the same subject, (Finance, No. 61,) 27th December 1840, with enclosures of opinions from the colonial treasurer and the managers of the Australasian and South Australian Banks, on the effects of the system required by the commissioners.

In the report to your Lordship of the 7th July 1840, the commissioners appear to complain that their orders regarding financial estimates were not carried out.

"He, the resident commissioner, was also desired to apply to the governor to submit to his council, in January and July of every year, half-yearly estimates of revenue and expenditure, the latter not to be exceeded after they had once passed the council."

On this point, I can most decidedly say, that in the state of the province during the last two years, they were utterly impracticable. Almost everything has been fluctuating to extremes which did not admit of previous calculation, and no one could foresee the extent of necessary requirements.

Had the sales of land and capitalist immigration equalled in the year 1840 those of 1839, the police and survey departments must have been increased very considerably; the store and immigration departments would have been rendered much more expensive by corresponding labour immigration, and some more public buildings would have been unavoidable.

Articles also, of which very large quantities are used in the public service, have fluctuated in prices beyond all possibility of estimate: flour between 16 *l.* and 110 *l.* per ton, and hay between 4 *l.* and 20 *l.* per ton.

My principle, under such trying circumstances, has been, to endeavour most carefully to keep expenditure at the lowest point consistent with the reasonable safety and prosperity of the province; but in the state in which society stood, no man could have calculated half a year in advance what that point would be.

In the foregoing observations I refer only to the past. I am well aware of the importance of estimates, and hope that the province is becoming sufficiently settled to enable the government to make them up with reasonable accuracy.

In concluding this summary of facts, connected with the complaint of the commissioners against me, I would place two points strongly before your Lordship's attention.

For some proof of this statement, *see* p. 302. Survey—Memorial in the S. A. Register, 21st December 1839. Police—Do. - do. Gaol—Grand Jury Presentment. Also for Police, *see* p. 304.

First, That the whole of my proceedings in regard to expenditure have been brought from time to time in great detail before the Legislative Council, and that they have received from that body the most ample support and concurrence, and that the colonists have been very much consulted regarding them, as much as time, opportunity and propriety would permit; that some of the greatest objects, such as the increase of the survey and police departments and the building of a gaol, have been urged by them in public memorials; and that after all has been done, and while the very subject is in discussion, I am in possession of the warm attachment and confidence of the public at large.

Of

* The above despatch withheld in consequence of additional difficulties arising to the fulfilment of the commissioners' wishes.

Of this last point the accompanying account of a public dinner given by the manager of the South Australian Company, on the occasion of the opening of the new port, may be to your Lordship an evidence; and,

S. A. Register, 17 Oct. 1840. No. 3.

Secondly, That at the distance of the breadth of the earth from England, with a heavy continual pressure of other public business which must be done by me, I am placed under circumstances of the greatest disadvantage in replying to your Lordship, as contrasted with the facilities which the commissioners possess of stating their case to you. It is not possible that the financial history of this colony during the last two years can be described with anything approaching to precision in a letter. I have clearly in my recollection a great deal of additional evidence to the points, either that the commissioners gave me encouragement to enter upon extraordinary expenditure, or that their detailed original instructions were so impracticable under the circumstances of the colony, as to throw me continually into positions of emergency.

The commissioners were desirous to form a fine colony, and abstractedly they were willing to authorize the measures necessary to accomplish their end; but I must respectfully say in my own defence, *that they did not calculate the cost of them*, nor had they any adequate conception of the difficulties arising from the state and requirements of a new and large community suddenly collected and planted in an unexplored wilderness.

I humbly conceive that, if your Lordship will take the foregoing facts and circumstances into consideration, you will arrive at the conviction that the following conclusions are established by them:

1st. That I have always possessed the most complete authority to act upon my own judgment in cases of emergency, provided such cases were reported without delay.

2d. That all the great cases of departure from the original instructions concerning expenditure,—the increase of the survey department, the increase of the number and salaries of public officers, the increase of the police force, the building of the government-house, public offices, and construction of the new wharf, the construction and working of the mud barge, &c. &c. &c.—have been either specifically reported to the commissioners, or collaterally authorized by them.

Pages
299. 303, 304, 305.
299, 300, 301.
302. 304. 307, 308.
302. 307.
See also all *the half-yearly reports.*

3dly. That my opinion, that in thus acting according to the unforeseen emergencies of the colony, I was also acting in conformity with the wishes of the commissioners, ought to have been, as it was, confirmed by the circumstances. That until the report of the 7th July 1840 I never received, in reply to my despatches, *the slightest expression of censure*, but, on the contrary, *was justified by the commissioners in the greatest items of expenditure which I had incurred* ON MY OWN RESPONSIBILITY—items which embrace almost all the extraordinary expenditure of the colony. And,

4thly. That therefore I am in nowise guilty of the heavy charge which the commissioners have made against me of "setting their instructions at nought;" but that I simply stand on my responsibility for correctness of judgment as to whether or not the cases referred to were really cases of emergency.

In no other manner have I ever intended, in any of my former official statements, to confess responsibility.

In speaking of unauthorized expenditure, I have always supposed it would be distinctly understood to mean expenditure unauthorized by detailed instructions.

I came to this colony to conduct a great and first EXPERIMENT. The commissioners, in reference to themselves, in their report to your Lordship 7th July 1840, also call it "an *experiment.*" An experiment of necessity involves the possibility not only of success, but of failure, without blame to those who conduct it faithfully.

The experiment in South Australia embraced two great considerations: *the success of the self-supporting system*, and, *the safety of the colony.*

It turned upon the point as to whether or not the two could be made to coincide, and it consequently became a duty on those who conducted it to hold clear views as to which was to be abandoned, if the two should stand opposed.

I never doubted but that *the safety of the colony* was the point to be primarily maintained; and until the receipt of a semi-official letter from Colonel Torrens, dated 17th June 1840, and of the report to your Lordship of the 7th July 1840, the instructions and correspondence of the commissioners with regard to emergencies, gave me the fullest reason to believe that their view and mine coincided. Upon this view have been founded my ideas of emergency.

I considered it *emergency* when the survey department could not keep nearly up to the demand; when the police was not sufficient to repress bushrangers and other lawless characters, to control the natives, and to check contraband trade; *emergency*, when public officers of value were leaving their situations on account of the insufficiency of their salaries, or were trading and really plundering the government on what they called authorized principle; *emergency*, when, the survey and land offices being burnt down, there was not a public office belonging to the government in Adelaide, and none of reasonable permanent suitableness to be hired; *emergency*, when, with an immense pressure of business and harassment of all kinds upon me, I, my wife, family, secretary, office, and servants, were limited during the day to a mud cottage 50 feet by 27 feet in extreme dimensions; and *emergency*, when with a really beautiful natural port, commerce was suffering almost indescribable hindrances, from the difficulties of landing in a broad mangrove swamp.

See Minutes of council, 29 Oct. 1838. Mr. Wheeler's letter, pages 10, 11.

Many

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

Many others could be justly enumerated, but these (*in addition to immigrant sickness and destitution*) are the great and leading objects which have been to my fullest conviction *emergencies*, and which have absorbed the greater part of the extraordinary expenditure.

They were constituted really emergencies which could not be referred to England for decision, from the circumstances that the colony, for communication and reply, was at a twelvemonth of distance in time from England, and that population was flowing in with that which, when the disastrous precedents of some other colonies under less trying circumstances be considered, may be called an appalling tide; and the principle of emergency was aggravated by an almost total failure of the crops during one year in the countries to which the colony looked for supply, and during the next (I have been but two years in the province), by a financial crisis in the community of a very menacing and prolonged description, a crisis from which the community has not yet emerged.

Your Lordship would not expect that I could plead for the public service exemption from errors, irregularities, and deficiencies. Every person of experience must know that these to a great extent, as compared with official practice in Great Britain, are inseparable from the extraordinary general state of things here.

They also, I must say, as I have often reported before, have been increased greatly by the original arrangements of the commissioners. Their over-earnest efforts at supporting the self-supporting system have worked extensively towards its destruction.

The economy attempted by the selection for official situations, at low salaries, of men utterly devoid of official experience, and in a great many cases even of official talent, and the attempt to allow these functionaries full remuneration by the privilege of private trading, has proved itself to be the greatest practical extravagance.

Pages 300. 303.

In the cases of the original colonial treasurer and storekeeper, officers on whom so much in expenditure depends, this has been palpable to excess.

The commissioners appeared to have considered that they had given to me ample powers to remedy such evils, by placing appointments and removals absolutely in my hands. It was a great boon, without which I could not have proceeded at all, but it was not a perfect or an immediate remedy. In a state of society so excitable as this for a long time was, it was not possible to remove public functionaries from office without causes that would bear the test of public sifting; and it is not easy to find quickly palpable charges against well-meaning men, whose greatest fault is incompetency.

The power also to create and to fill vacancies is useless when there are not persons to be procured more competent than those who are dismissed, a disadvantage which long existed.

It is my very clear and long considered conviction that if, following the apparent wishes of the commissioners in their report of the 7th July, I, letting go my view of the paramount importance of the safety of the colony, had obeyed even with a wide latitude the commissioners' original instructions, its history would have furnished indeed a parallel to that of the chartered colonies of America, to which the commissioners in their report refer.

It would have languished for many years a mere settlement, in contention, confusion, and poverty; and the self-supporting system would have still failed, inasmuch as there would have existed nothing that could have been called a colony to support itself, or to be supported.

On the other hand, keeping, as I have done, the self-supporting system in its proper place, as a subordinate though desirable object, and clinging with full purpose to the reasonable prosperity of the colony, I have at least the heartfelt satisfaction of being able to declare to your Lordship that this object has succeeded; that there has been established in South Australia a colony, such as never before, in the history of the world, was formed in the space of four years.

Its public system and departments settled, peace and good understanding prevailing, and protection of person and property ensured in degrees not surpassed in any portion of the British empire; land surveyed to accommodate ten times its present population*; the foundations of and necessary arrangements for progressive prosperity, well and extensively laid; a population of from 15,000 to 16,000 souls; an export trade to the value of possibly 60,000 *l.* per annum; a revenue of from 20,000 *l.* to 30,000 *l.* per annum, and a general trade, producing in the past year, including immigrant ships, about 200 sail of arrivals.

No. 4.

The accompanying South Australian Almanack for 1841, which I believe to be generally correct in its details, will convey to your Lordship evidence of the present state and prospects of the province, and prove to you, that as far as any colony of the same age was ever able to support itself, this has the means of doing it.

An opportunity which offers for forwarding this despatch, in a quick-sailing vessel, direct to England, induces me to close it with the conclusion of the reply to the charges brought against my own conduct, and to leave the other matters in the commissioners' report, upon which it is incumbent for me to address your Lordship, for another communication.

I have, &c.

(signed) *George Gawler,*
Governor South Australia.

Postscript.—The Fourth Annual Report of the Colonization Commissioners has recently come to my hands by a private channel; in it, your Lordship will have seen ample proofs in support of my statement, that

"The

* Of necessity, purchase and demands for possession having extended over the area alluded to.

"The commissioners were desirous to form a fine colony, and abstractedly they were willing to authorize the measures necessary to accomplish their end, but . . . . they did not calculate the cost of them."—*Foregoing Letter*, p. 309.

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

In page 19 of the Commissioners' Fourth Report, very great credit is given to me for augmenting the efficiency of the survey department.

"Colonel Gawler was equal to the occasion."

"Through the energy and moral influence of the governor and resident commissioner, an effective surveying corps had been formed, and a considerable progress in laying out the country effected before the arrival of Lieutenant Home and the detachment of sappers and miners."

And in pages 20 and 21, *a long list* is given, with evident feelings of congratulation, of the execution of those very works which were undertaken by me on my own responsibility, and which have occasioned a very large proportion of the extraordinary expenditure.

Among them also are enumerated, *police* barracks and stables for *police* horses, *horses for the mounted police*, and houses for *police country stations*.

While, as proofs that the commissioners were not calculating the cost of these desirable and necessary arrangements, nor giving any weight to the representations which I was making on this subject, are the following passages:

"We have the satisfaction to announce, that up to the present period, and through the favour and protection of Divine Providence, the important experiment, with the conduct of which we have been charged, has been crowned with success."—*Col. Commissioners' Fourth Report*, p. 3.

"In retiring from the important trust so long confided to us, we may be allowed to congratulate ourselves upon having established, by practical proof, the important fact, that the expense of planting new colonies, and of conveying to them the unemployed labour of the parent state, may be defrayed by means of the value which the act of planting confers upon the wild lands of an unreclaimed country."—*Col. Commissioners' Fourth Report*, p. 27.

It must fairly be presumed that statements like these are founded to a considerable extent on information received from their representative in the colony, but your Lordship will have seen in the preceding extracts, that from the period of my arrival, while, in my despatches, hope for the success of the self-supporting system was expressed on one or two occasions, the general tenor of them was calculated to prevent strong confidence in it, and latterly to declare its hopelessness.

On these points I would refer your Lordship particularly to pages 301, 302 and 304 of the preceding extracts, the first written in April, and the second in July 1839.

By "the self-supporting system," I always mean the system particularly so called, adopted by the Colonization Commissioners in reference to this colony.

George Gawler.

Enclosure, No. 1.

MOUNTED POLICE.

MORNING STATES for the Weeks ending 20 December 1840 and 3 January 1841.

WEEK ENDING 20 DECEMBER 1840.

		INSPECTOR.					SUB-INSPECTOR.					SERJEANTS.						POLICE CONSTABLES.						HORSES.										OUT-STATIONS.																	
																																		Willunga.			Encounter Bay.			Rowee.			Port Lincoln.			Gawler Town.					
		Present.	Sick.	On Duty.	On Leave.	TOTAL.	Present.	Sick.	On Duty.	On Leave.	TOTAL.	Present.	Sick.	On Duty.	On Leave.	Absent without Leave.	TOTAL.	Present.	Sick.	On Duty.	On Leave.	Absent without Leave.	TOTAL.	Commissioner of Police.	Inspector of Foot Police.	Inspectors of Mounted Police.	With Mr. Eyre.	Fit for Duty.	Unfit for Duty.	Sick at Grass.	On Duty.	Post Duty.	TOTAL.	Serjeants.	Police Constables.	TOTAL.	Horses.	Serjeants.	Police Constables.	TOTAL.	Horses.	Serjeants.	Police Constables.	TOTAL.	Horses.	Serjeants.	Police Constables.	TOTAL.	Horses.	Serjeants.	Police Constables.	TOTAL.	Horses.
14 Dec. 1840	Monday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	24	–	10	–	–	34	2	1	2	1	22	1	4	3	3	39	–	2	2	1	1	4	5	1	–	3	3	–	1	5	6	–	–	3	3	1
15 – —	Tuesday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	20	–	14	–	–	34	2	1	2	1	16	1	7	6	3	39	–	2	2	1	1	4	5	1	–	3	3	–	1	5	6	–	–	3	3	1
16 – —	Wednesday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	19	–	14	1	–	34	2	1	2	1	16	1	7	6	3	39	–	2	2	1	1	4	5	1	–	3	3	–	1	5	6	–	–	3	3	1
17 – —	Thursday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	20	–	13	1	–	34	2	1	2	1	16	1	7	6	3	39	–	2	2	1	1	4	5	1	–	3	3	–	1	5	6	–	–	2	2	1
18 – —	Friday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	20	–	12	2	–	34	2	1	2	1	18	1	6	5	3	39	–	2	2	1	1	4	5	1	–	2	2	–	1	5	6	–	–	2	2	1
19 – —	Saturday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	22	–	10	2	–	34	2	1	2	1	18	1	6	5	3	39	–	2	2	1	1	4	5	1	–	2	2	–	1	5	6	–	–	2	2	1
20 – —	Sunday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	26	–	7	1	–	34	2	1	2	1	23	1	6	1	2	39	–	1	1	–	1	4	5	1	–	2	2	–	1	5	6	–	–	2	2	1

WEEK ENDING 3 JANUARY 1841.

28 Dec. 1840	Monday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	20	1	12	–	–	33	2	1	2	1	18	2	6	4	3	39	–	3	3	1	1	4	5	1	–	3	3	–	1	5	6	–	–	3	3	1
29 – —	Tuesday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	20	1	12	–	–	33	2	1	2	1	18	2	6	4	3	39	–	3	3	1	1	4	5	1	–	3	3	–	1	5	6	–	–	3	3	1
30 – —	Wednesday	1	–	–	–	1	–	–	1	–	1	3	–	–	–	–	3	22	1	11	–	–	34	2	1	2	1	19	2	6	3	3	39	–	3	3	1	1	4	5	1	–	3	3	–	1	5	6	–	–	3	3	1
31 – —	Thursday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	22	1	11	–	–	34	2	1	2	1	19	2	6	3	3	39	–	3	3	1	1	4	5	1	–	3	3	–	1	5	6	–	–	3	3	1
1 Jan. 1841	Friday	1	–	–	–	1	1	–	–	–	1	2	–	1	–	–	3	17	1	16	–	–	34	2	1	2	1	15	1	6	8	3	39	–	3	3	1	1	4	5	1	–	3	3	–	1	5	6	–	–	3	3	1
2 —	Saturday	1	–	–	–	1	1	–	–	–	1	2	–	1	–	–	3	20	1	16	–	–	37	2	1	2	1	15	1	6	8	3	39	–	3	3	1	1	4	5	1	–	3	3	–	1	5	6	–	–	3	3	1
3 – —	Sunday	1	–	–	–	1	1	–	–	–	1	3	–	–	–	–	3	24	1	12	–	–	37	2	1	2	1	26	1	6	3	3	39	–	3	3	1	1	4	5	1	–	3	3	–	1	5	6	–	–	3	3	1

Elbow.

Increase of 3 men.

On Friday last, Inspector Tolmer apprehended a man for swindling on the race-course. An increase of three men for the Mount Barker Station joined on Saturday.

(signed) *Alex. Tolmer*, Inspector.

METROPOLITAN AND PORT POLICE.

Morning States for the Week ending 27 December 1840.

INSPECTORS.				SUB-INSPECTORS.				SERJEANTS.						CONSTABLES.						VARIATIONS.										OUT STATIONS.												PARK-KEEPERS.			
										Absent.						Absent.														PORT ADELAIDE.								SNAPPER POINT.							
																													Serjeants.				Constables.				Serjeants.				Constables.			
Present.	Sick.	On Leave.	Total.	Present.	Sick.	On Leave.	Total.	Present.	Sick.	With Leave.	At Sydney, with Leave.	Suspended.	Total.	Present.	Sick.	At Sydney, with Leave.	Without Leave.	Suspended.	Total.	Joined the Force.	Received from Mounted Force.	Transferred to Mounted Force.	Resigned.	Dismissed.	Dead.	Promoted to Serjeants.	Reduced from Serjeants.	Promoted to Sub-inspectors.	Present.	Sick.	On Leave.	Total.	Present.	Sick.	On Leave.	Total.	Present.	Sick.	On Leave.	Total.	Present.	Sick.	On Leave.	Total.	Present.	Sick.	On Leave.	Total.
1	–	–	1	2	–	–	2	2	–	–	1	–	3	38	1	1	–	–	40	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	–	–	5	5	–	–	5
1	–	–	1	2	–	–	2	2	–	–	1	–	3	38	1	1	–	–	40	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	–	–	5	5	–	–	5
1	–	–	1	2	–	–	2	1	–	1	1	–	3	38	1	1	–	–	40	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	–	–	5	5	–	–	5
1	–	–	1	2	–	–	2	2	–	1	–	–	3	40	–	–	–	–	40	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	–	–	5	5	–	–	5
1	–	–	1	2	–	–	2	3	–	–	–	–	3	39	1	–	–	–	40	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	–	–	5	5	–	–	5
1	–	–	1	2	–	–	2	3	–	–	–	–	3	39	1	–	–	–	40	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	4	1	–	5	5	–	–	5
1	–	–	1	2	–	–	2	3	–	–	–	–	3	39	1	–	–	–	40	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	1	–	5	5	–	–	5
1	–	–	1	2	–	–	2	3	–	–	–	–	3	39	1	–	–	–	40	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	1	–	5	5	–	–	5

Morning Reports for the Week ending 27 December 1840.

No.	NAME.	CRIME.	PUNISHMENT.	OCCURENCES.		
				SICK.	ABSENT.	ON LEAVE.
	P. C. John Maria - - - - - -	-- Reported by Inspector Stuart, for being absent from his beat, and the worse for liquor.	-- Fined 2*s.* 6*d.*, being the first report. Inspector *Stuart.*	P. C. Haynes.		
	P. C. Stehelin - - - - - -	-- Drunk on duty on the morning of the 27th instant.	-- Suspended for one week. *J. S.* Commissioner.			

Serjeant Maron, and P. C. M'Fie returned this day from Sydney, per the "Dorset," having escorted felons to that place.

December 24.

(signed) *James Stuart*, Inspector.

METROPOLITAN AND PORT POLICE.

Morning States for the Week ending 3 January 1841.

	INSPECTORS.				SUB-INSPECTORS.				SERJEANTS.						CONSTABLES.					
											Absent.						Absent.			
	Present.	Sick.	On Leave.	Total.	Present.	Sick.	On Leave.	Total.	Present.	Sick.	With Leave.	Without Leave.	Suspended.	Total.	Present.	Sick.	With Leave.	Without Leave.	Suspended.	Total.
Dec. 28	1	–	–	1	2	–	–	2	3	–	–	–	–	3	38	–	1	–	1	40
– 29	1	–	–	1	2	–	–	2	3	–	–	–	–	3	37	1	1	–	1	40
– 30	1	–	–	1	2	–	–	2	3	–	–	–	–	3	36	2	1	–	1	40
– 31	1	–	–	1	2	–	–	2	3	–	–	–	–	3	36	2	1	–	1	40
Jan. 1	1	–	–	1	2	–	–	2	3	–	–	–	–	3	37	1	1	–	1	40
– 2	1	–	–	1	2	–	–	2	3	–	–	–	–	3	36	2	1	–	1	40
– 3	1	–	–	1	2	–	–	2	3	–	–	–	–	3	38	1	–	–	1	40

	VARIATIONS.									OUT STATIONS.										PARK-KEEPERS				
										PORT ADELAIDE.								SNAPPER POINT.							
										Serjeants.				Constables.				Serjeants.				Constables.			
	Joined the Force.	Received from Mounted Force.	Transferred to Mounted Force.	Resigned.	Dismissed.	Dead.	Promoted to Serjeants.	Reduced from Serjeants.	Promoted to Sub-Inspectors.	Present.	Sick.	On Leave.	Total.	Present.	Sick.	On Leave.	Total.	Present.	Sick.	On Leave.	Total.	Present.	Sick.	On Leave.	Total.	Present.	Sick.	On Leave.	Total.
Dec. 28	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	–	–	5	5	–	–	5
– 29	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	–	–	5	5	–	–	5
– 30	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	–	–	5	5	–	–	5
– 31	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	5	–	–	5	5	–	–	5
Jan. 1	–	–	–	–	2	–	–	–	–	1	–	–	1	5	–	1	6	1	–	–	1	3	–	–	3	5	–	–	5
– 2	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	3	–	–	3	5	–	–	5
– 3	–	–	–	–	–	–	–	–	–	1	–	–	1	6	–	–	6	1	–	–	1	3	–	–	3	5	–	–	5

Dismissed on the 1st January, P. C. H. Heath, of the Snapper Point party.
Ditto - - - - - - - - P. C. J. Mathewson - - ditto.

Morning Reports, for the Week ending 3 January 1841.

No.	NAME.	CRIME.	PUNISHMENT.	OCCURRENCES. SICK.	ABSENT.	ON LEAVE.
	P. Cs. M. Mara and Chanter - - -	- - Reported by Serjeant Crosby for sitting down under shelter while on duty.	Fined 1s. each - - - - - Inspector *Stuart.*	P. C. Burford - - -	None - - - -	None.
	P. Cs. Heath and Mathewson - - -	- - Reported by Inspector Stuart for disobedience of orders, in not returning to their station when ordered.	Dismissed. Commissioner.			
	P. C. M. Mana - - - - -	- - Drunk and assaulting Serjeant Crosby on Sunday morning.	- - Confined until brought before the Commissioner.			

James Stuart, Inspector.

Governor Gawler to Lord J. Russell, 28 Dec. 1840.

Enclosure, No. 2.

Sir, Whitmore-square, 16 March 1840.

I HAVE the honour to send your Excellency a copy of a presentment made to me by the gentlemen of the grand jury at the last criminal session of the Supreme Court; wherein they state, amongst other things, that they find the gaol altogether inefficient, as regards the proper accommodation and safe custody of the prisoners.

I am aware that your Excellency is fully alive to the importance of the several matters mentioned in this presentment, and I therefore feel it unnecessary to urge the consideration of it at any length. I beg only to be permitted to add, with reference to that part of it which states the insufficiency of the gaol, that, embarrassed as I am by the state of the gaol whenever I am obliged to issue process for the confinement of a debtor, or to pronounce sentence of imprisonment on a felon, I am still more forcibly reminded of its state by the events of the last few days, during which the police force has been subject to extreme fatigue in acting as a prison guard, in order that desperate criminals might not escape from the hands of justice.

I have, &c.

His Excellency the Governor. (signed) *Charles Cooper.*

To His Honor the JUDGE.

WE, the gentlemen of the grand jury, consider it our duty before separating to make the following report to your Honor. We have to inform your Honor that we have this day visited Her Majesty's gaol. After a careful examination of the buildings now in use, we find that they are altogether inefficient as regards the proper accommodation and safe custody of the prisoners.

We are aware that, on several occasions, criminals have broken out from the gaol, and that the safety of the prisoners depends entirely on the armed sentries, who have to be continually on guard without the fence.

We find that the prisoners are in a fearfully crowded state, and that no classification of them can be effected; that the debtor cannot be kept apart from the felon; and that the unhappy men condemned to die do not enjoy that decent solitude befitting their awful condition.

We have much pleasure in recording our opinion of the good management, which is apparent, of Mr. Ashton, the governor of the gaol, under such difficulties, and we think that it is greatly to his credit that the many desperate characters who have been so long under his custody have not escaped the hands of justice.

We beg to suggest that the erection of an efficient gaol is of such importance as to demand the immediate attention of the Government, and that we are of opinion that it should take precedence of all other public buildings.

We find that religious books have been supplied to the prisoners, but we regret that Divine service is not performed in the gaol.

We further beg to suggest that those prisoners who are sentenced to hard labour might be advantageously employed on road parties or other public works.

(signed) Robert Fletcher Bradshaw, Foreman.
John Allen.
E. W. Andrews.
George A. Anstey.
John Baker.
Charles Beck.
Andrew Berry.
William Blyth.
Corns. Birdseye.
C. Bonney.
Richard E. Borrow.
R. S. Breeze.
Jno. W. Bull.
William R. Cooke.

Enclosure, No. 3.

EXTRACT from the *South Australian Register*, Adelaide, October 17, 1840.

OPENING OF THE NEW PORT.

ON Wednesday last the New Port of Adelaide was opened by his Excellency Governor Gawler, assisted by David M'Laren, Esq., manager of the South Australian Company, in the presence of the largest assembly of colonists ever congregated in South Australia, upwards of five thousand persons being present.

We shall endeavour to give the fullest account of the interesting ceremony that lies in our power; but it is with feelings somewhat akin to regret and disappointment that we admit the impossibility of conveying to the distant reader either anything like an adequate conception

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conception of the scene itself, or of the causes which have made the removal from the old landing-place, Port Misery, as Mr. Horton James not very untruly termed it, to spacious and commodious wharfs, accessible in all weather and at all times of tide,—a subject of the deepest importance to every grade of settlers.

Under such impressions, therefore, we shall hazard no descriptive flights. It is enough to account for the deep interest taken in the matter to state that the colonists have regarded the completion of this great work as their future security against the incessant and almost inevitable losses to which they have been subjected in the landing and transit of their property from the port to Adelaide, and in the reflection that all just grounds of complaint in reference to the defective accommodation of the harbour are effectually removed. Adelaide now possesses landing-places and wharfs not merely sufficiently commodious for its present commercial requirements, but capable of extension, at small comparative cost, so as to meet the exigencies of any prospective increase in its shipping, and to obviate all necessity of any subsequent removal of the Custom-house or landing place. Vessels of 500 tons can haul alongside, and discharge or receive their cargoes as comfortably and expeditiously as in St. Katherine's Docks. Ample storage for goods of all descriptions is provided, while a road above a mile in length, formed at an expense of 10,000 *l.*, connects the wharf with the great road to Adelaide, and completes the communication between the city and its port.

Let us place upon record the fact, that to the South Australian Company, and to David M'Laren, Esq. their colonial manager, the colonists of South Australia are in the first instance indebted for this important improvement; and in the second to his Excellency Governor Gawler their thanks are due, as well for the encouragement the work has received at his hands, as for the increased public accommodation which has been provided by the erection of extensive ranges of government wharfs and shades for the reception of cargoes and of goods subject to duty.

It is no ill augury, we think, of the future fate of the colony, nor does it evince slight confidence in its successful career, to witness so large an expenditure freely bestowed on one public improvement. Indeed the gradual developement of our colonial capabilities, the undeniably great pastoral and agricultural powers of the province—apart from its fisheries and its unbounded mineral resources—have long ago satisfied all persons on the spot, and are gradually but surely dispelling the injurious fictions which at home and in India have hitherto obscured the truth.

Before closing these remarks, we may advert to the rumoured intention of the governor to abolish the toll duties originally proposed to be levied for the purpose of paying the expenses of the road. We sincerely trust this rumour will be confirmed. In our next we shall state at length our views on the subject, and take the liberty of suggesting a mode by which the required sum could be obtained without any application to the colonization commissioners or any addition to our present colonial expenditure.

Meantime we turn to the proceedings of Wednesday, which may be introduced by the following notes regarding the commencement and extent of the undertaking.

The road to the new port was commenced on the 25th May 1839.

The length of that road, as originally contracted for, was 92 chains, and was thereafter somewhat extended. The breadth of the road at the base is 45 feet and the top 35 feet, with 10 feet reserved at the side for the purpose of having the road afterwards widened.

The road was formed by excavating the ground on each side, and is raised one foot above the highest tide yet known.

The total expense of constructing the road has been about 14,000 *l.* The greatest part of the road passes over what was formerly a swamp and unpassable, and the site of the company's warehouses adjoining the road was in like manner a mere swamp.

These warehouses have three floors sunk, ground and upper, and have a frontage of sixty feet to the road, and ninety feet to the river, and will afford stowage to 1,500 tons of goods.

The wharf extends 300 feet along the river, and there is a crane erected upon it capable of raising six tons at a time.

It was (says our contemporary the *Chronicle*, whose report we have partly adopted,) judiciously thought that the completion of this great work should be celebrated in some public and striking manner, and the governor having signified his approbation, Mr. M'Laren took measures accordingly. It was determined by him to give a public entertainment to his Excellency and to the principal colonists; and when we say that the whole subsequent arrangements of the fête were entrusted to the management of Mr. Edward Stephens and Mr. John Morphett, we need scarcely add that everything was done by these gentlemen to execute their task on a scale of comfort and liberality well befitting the wealthy company they represented on the occasion. Nearly 600 invitations were issued; and at 10 o'clock last Wednesday morning about 200 ladies and gentlemen assembled at the Bank of South Australia, where carriages were provided for their accommodation, and for the accommodation of those who chose to avail themselves of it. By 11 o'clock a numerous array of ladies and gentlemen on horseback and in private carriages formed in procession along the North-terrace, and at that hour precisely his Excellency, accompanied by his Honor Judge Cooper, Major O'Halloran, Captain Sturt, Mr. Hall, private secretary, Mr. Newenham, high sheriff, &c. also arrived at the bank. The procession then formed, escorted by the officers and brigade of the Adelaide corps, assisted by a strong party of the mounted police. As nearly as we could calculate, the muster comprised 430 vehicles of all descriptions, from the dashing four-in-hand barouche, through all the gradations of coach,

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coach, chariot, phaeton, gig, spring waggon, cart, down to the bullock-team and donkey-cart. There were, besides, between 500 and 600 equestrians, and the whole scene, in short, was as nearly the Epsom Derby-day in miniature, as it is possible to conceive. It is pleasant to record that no accident whatever occurred to mar the pleasures of the day. Every arrangement to preserve order had been previously made by Inspectors Tolmer and Stuart, and the police deserve the greatest credit for the manner in which they executed their duty.

On the procession arriving at the commencement of the road, the governor's flag was hoisted at the new flag-staff, and a royal salute was fired by the Sappers and Miners from the guns placed on the government wharf. The salute was repeated by the vessels in the river, who vied with each other who should display most bunting. The river was at this time studded with boats sailing and pulling, and a very large concourse of people had already assembled on the wharfs and along the line of road. On arriving at the custom-house bridge, the company dismounted and proceeded to the wharf, alongside of which lay the barque Guiana, and the schooners John Pirie and Victoria, bearing the flag of the South Australian Company, their colours, numbers, and other flags. The Rapid was also lying alongside, decked out with all her flags. The Enterprise was in the stream opposite, ready to haul alongside; and the Truelove lay a short distance ahead of her, having just hauled into the stream after having discharged.

His Excellency, accompanied by Mr. M'Laren and the rest of the company, then proceeded to the company's wharf, where a platform was erected. Mr. M'Laren then said:—"My friends,—In commencing the proceedings to-day, I beg to submit to you the propriety of uniting in acknowledging the hand of Providence, whose blessing was asked at the commencement of this undertaking, and to whom we ought to return thanksgivings at its completion. 'Except the Lord do build the house, the builders lose their pains'."

His Excellency having expressed his concurrence in Mr. M'Laren's proposal, the Rev. Mr. Howard offered up a solemn and impressive prayer.

His Excellency the governor then addressed the assembly in the following terms:—"We are all engaged in a great work, the work of transforming what was lately a desert into cultivated fields; but as regards this particular undertaking, the completion of which has brought us together to-day, I most sincerely congratulate, not only the manager of the South Australian Company, and through him the company itself, but also every one present, and every South Australian colonist, for in the proceedings of this day I see the downfall of that giant which was considered unconquerable (cheers). The swamp which was considered impassable has been overcome, and a good substantial road now extends from these warehouses to its termination. In our colonial history we have had many serious difficulties to overcome; not such difficulties as some of our enemies have said there were, but difficulties certainly which required some exertion and considerable labour to overcome, and one of the greatest of these has been vanquished this day (cheers). I have said we have not such difficulties to overcome as our enemies would make the people of England and India believe. For instance, vessels are not obliged to discharge their cargoes at Nepean Bay, as has been stated recently in an East Indian paper. I am not inclined to introduce anything of a ridiculous description into this day's proceedings, but I can hardly help alluding to a parallel circumstance. A traveller from the Continent, when on a voyage, had occasion to put in at Dover, and at the inn where he lodged the barmaid had red hair; he thereupon entered in his note-book, and duly reported to his countrymen, that all the English barmaids were red-headed (laughter). So with the writer in the Calcutta Englishman, he has drawn from an isolated fact a sweeping general conclusion. He had happened to come here in a ship which discharged her cargo in Nepean Bay, and he thereupon set down and published the falsehood, that all vessels discharge in that place (cheers). Now, my friends, though we have had difficulties to overcome, we have had none of such a ponderous nature as this would be, and those we have had are now overcome (cheers). I hope that the great work now so far completed will form a stepping-stone to the prosperity of the port and the colony, and that we are fast advancing to that rank in the world which Providence has marked out for us (renewed cheers). Let desponding persons, let those who have come here expecting to reap wealth without labour, let those who have made it their business to misrepresent the colony, say and write what they please; let us look to the capabilities of our colony; to the agricultural, the horticultural, the pastoral, yes, and the manufacturing capabilities. Let them look at our slate, our marble, our iron ore, our abundance of wood to smelt it, and our other natural productions, and calculate what may be done with energy and industry, and then say where is the cause of despondency (cheers). When we remember that we have not yet completed our fourth year of colonial existence, I am bold to say, that never was done so much in so short a time as has been done in South Australia (cheers). But I have said I have not only to congratulate the colonists, I have also to congratulate the South Australian Company, and their manager, Mr. M'Laren (great cheering). They have done their duty to the colony; for it is the duty of large and influential companies to come forward and execute those undertakings which private individuals could not accomplish. Ladies and gentlemen, I now declare these landing-places to be a part of the new port. I will, if you please, give this wharf the name of the gentleman under whose management it has been constructed; we will call it the 'M'Laren Wharf' (tremendous cheering). We will now proceed to land the first bale of goods on it."

A box of tea and a small box of spices were then brought up from the hold of the Guiana, and landed on the wharf amidst a thundering round of applause, which was

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answered by the people from the Enterprise and Truelove, lying opposite, and the other vessels. Three cheers were also given for the Guiana, the first vessel from which cargo was landed on the wharf. The two boxes were immediately despatched express to Adelaide, as a present to Mr. M'Laren.

The governor's flag was then struck, and the union-jack run up, while a salute was fired from the guns on the Government wharf, and returned by the ships in the river.

His Excellency and a great part of the company assembled then retired to the company's warehouses, and partook of the refreshments there provided for them. Shortly after the regatta commenced.

At two o'clock about 450 ladies and gentlemen sat down to a sumptuous *déjeûner à la fourchette* in the company's spacious warehouses.

When the repast was finished, his Excellency proposed the health of the Queen and Prince Albert, which was received with all the honours. After the usual toasts had been given, David M'Laren, Esq. rose and spoke as follows:—

"I rise thus early to propose a toast, which I wish had been entrusted to some gentleman more competent than I to do justice to it, although I have no hesitation in saying, that no part of the services of this auspicious day could afford me higher gratification than I now enjoy in proposing the health of his Excellency Colonel Gawler. (Long and continued cheering). I am sensible of the peculiarity of my situation, and shall endeavour not to violate that propriety and delicacy of feeling of which his Excellency is so correct a judge, and of which the laudatory compliments paid to individuals occupying elevated situations in society, in their own presence, are gross violations—violations which, to every well-regulated mind, are painful and nauseous. In proposing this toast, however, notwithstanding his Excellency's presence, and notwithstanding that you are all well acquainted with his Excellency's various merits, it would be unpardonable in me to forbear accompanying the proposing of this toast with a few brief remarks. On this day, which may be regarded as the second anniversary of his Excellency's arrival amongst us, our minds are naturally turned back to October 1838; and although I dare not use language in the strain addressed to the most high and mighty Prince James by the excellent translators of the English Bible, that upon the setting of that bright occidental star Queen Elizabeth, some thick and palpable cloud arose, which was instantly dispelled by the appearance of his Majesty as of the sun in his strength; yet we cannot fail to remember, that at that period our small community was a prey to dissension, and that nothing had a more salutary influence in healing our divisions, and smoothing our asperity, than the kindly yet dignified conduct of his Excellency; and I am persuaded that the present harmony which so happily and generally prevails, is not more gratifying to any individual heart than to that of his Excellency, who has often reminded us that—'we had too much to do to quarrel' (cheers). Were I to name an intermediate date between October 1838 and October 1840, as the time when that harmonious feeling was first conspicuously manifested, I think I should carry your conviction with me in fixing on the 25th May 1839, when the road was begun, by the personal exertion and under the personal patronage of his Excellency, which road is now completed (cheers). The few spadesful of earth which his Excellency then dug, uprooted the hateful weed dissension, and buried it under the soil (cheers). The magnitude, as well as the efficiency of his Excellency's exertions in extending and expediting the surveys of the waste lands of the province are well known, and entitle him to our warmest thanks. In consequence of these exertions, those now arriving on our shores obtain, or may obtain, very prompt locations (cheers). The anxiety his Excellency has shown in ascertaining the capabilities, and unfolding the advantages of the country of our adoption, has been evinced by great personal exertions, risks and sacrifices, and by the decided countenance and support afforded by his Excellency to those enterprising colonists who have been willing to undertake the exploration of the unknown parts of the province. You cannot have forgotten the interesting scene at Government-house on the 18th June last, the anniversary of Waterloo, in which eventful fight his Excellency (according to the sentiments generally prevalent on such subjects) gloriously participated; and although it is to be regretted that the report just received from our enterprising fellow-colonist, Mr. Eyre, is not more gratifying, yet better things may be in store for us, even in that quarter, and even although it should turn out otherwise, it is no inconsiderable advantage to know the worst. In no single respect has his Excellency shown greater anxiety than in securing adequate harbour accommodation, and this day proves that that anxiety has been relieved and removed. In carrying out these operations his Excellency has been pleased to extend his kindness frequently to me as the humble representative of the South Australian Company. His Excellency has already this day addressed us on this subject; he may be pleased to resume it, or other speakers may advert to it; I therefore pass from it, as it is more suitable for others than for me. In one particular I am sure there is but one sentiment throughout the whole community—that is, as to the single-hearted devotedness of his Excellency to the interests of the province (cheers). These I believe he uniformly studies to advance, and in any particular case, all that is required in order to the adoption of any measure is to convince his Excellency's enlightened judgment that the measure proposed is conducive to the general interests of the colony. I have to apologize for the length of this address, but I hope this company can distinguish between length and tediousness. If this address be tedious as well as long, the cause of the tediousness is in the speaker, and let him bear the shame. The reason of its being long is the number and variety of his Excellency's merits, and of the benefits he has conferred upon the community. I have not yet enumerated them. His Excellency has shown great interest in the labouring classes, and I add deliberately,

and

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and without fear of exciting any discordant feelings, great anxiety for the amelioration of the condition of the native population; and if at any time measures of severity be adopted, whether against the white man or the black man, I am convinced the feeling is universal that these measures are adopted by his Excellency with reluctance extreme. His kindliness and benevolence extend to all classes; he is the 'father of the people,' and in this character we now hail him. He has exercised a fatherly care over us—he has shown a fatherly indulgence towards us—and he has sometimes administered a little fatherly chastisement, as some of us have experienced—[Here the speaker turned to Mr. Morphett, who was seated on his right, and whose responsive smile showed he understood the allusion]—but it was all for our good—to make us better boys (cheers and laughter). I must close, although I have not yet stated what I consider to be the chief excellence of his Excellency; that which I hesitate not to say, most powerfully excites my respect, esteem and love—that on which I most confidently rely for the equity, usefulness and success of his Excellency's administration—it is that he is, in my opinion, influenced in all that he does by Christian principles, and that he gives, as does his justly-respected partner in life, the whole weight of personal and family example and influence to the encouragement of piety and virtue, and to the discouragement of vice (cheers). There is nothing under heaven more stable, vigorous and noble than Christian principle; it is the germ whence arises the highest grade of human character. In the full persuasion that I have expressed, however imperfectly, the sentiments and feelings of all present, I beg to propose the health of his Excellency Governor Gawler." (The toast was drunk with thunders of applause).

His Excellency then rose, and said,—"Gentlemen, the very kind and warm manner in which my name has been mentioned by Mr. M'Laren, and the manner in which it has been received by the large and respectable assembly now before me, gives me the utmost gratification. There is nothing I desire more in this world, and nothing I am more anxious to continue to enjoy, than the good opinion of the colonists of South Australia (cheers). I am sure I do not dishonour the gift of my Sovereign in appointing me Governor here, or undervalue the honour done me by the South Australian Commissioners in electing me their representative, when I say that unless my exertions are seconded by the full support of the colonists, I can do nothing. I came to this place with the intention of doing my duty to my Sovereign and to the colonists (cheer), and whenever I lose their good-will, I care not how soon I resign my situation, feeling confident that unless the Governor and the people go hand in hand, the colony will never flourish as it otherwise would (cheers). I have all along laboured for the support and good opinion of the colonists (You have it). By the principles on which this colony is founded, I am placed in a very peculiar situation. I have to work out a new principle in a colony that has sprung into existence at a bound, and that has advanced with a rapidity unequalled in the history of British colonization (cheers). The development of the new principles throws around the government a series of difficulties—difficulties unknown to others who go on in the routine of a beaten tract—and it is therefore that I more especially desire the support of the colonists of South Australia (cheers). In political professions, it is a general rule that they are to be weighed on the principle that truth is not always in them. Such professions, however, I have never been accustomed to make. Truth is, in my opinion, quite as necessary to the duties we owe the colonists, as it is in a man's individual duties; and I have always found that, both in public and private matters, 'honesty is the best policy' (cheers). Gentlemen, there is no title with which I would feel more honoured than that with which I have been favoured by the manager of the South Australian Company, 'The Father of South Australia' (applause). I trust that those absurd and mischievous principles which prevail elsewhere, will have no place in the minds of any persons here; I mean that of supposing that the government is pulling against the community and the community against the government (hear, and cheers). Here, all such feelings have, I trust, been long since forgotten, and merged in a desire for the prosperity and advancement of the province (great cheering). No one more earnestly desires to uphold the liberty of this province than myself; no one shall ever have to say of me, I trust, that I have trampled on public liberty (great cheering); for it is a greater honour to be at the head of a small community of free people, than to hold the sway over an empire of slaves (tremendous cheering). Yes, I feel it an honour to be at the head of intellect, intelligence, and enterprise, and much of each of these I find existing in South Australia (applause). Gentlemen, I am not infallible, no man is; in the many difficulties I have to overcome, it is impossible not to err sometimes; but when I do go wrong, if the correction is brought before me in a proper manner, in moderate terms, I am glad to receive it (cheers). Gentlemen, you also have difficulties to overcome as well as me. There are difficulties to be overcome for the general good, and every colonist has his own difficulties of a private nature to surmount. We are not to sleep on a bed of roses, prepared and ready for us here, but by our exertions we are to make 'the widerness rejoice and blossom as the rose' (cheers). Let us then endeavour to carry this out. Let us raise small towns throughout the country which so lately was a wilderness, and let us endeavour to show the absurdity of the barmaid principle which I mentioned before. Let us state our capabilities fairly as they are, and it will be found that 'Truth is great, and it will prevail' (cheers). Gentlemen, Mr. M'Laren has mentioned Mr. Eyre. There is one here who I think will convey to that gentleman the good feelings of those now present (cheers). He fears that his failure may be judged of, not from the difficulties he has had to encounter, but from its proceeds. The difficulties he has met with are almost unequalled in the world. He met with a lake 400 miles long, hemming him in on every side like an immense horse-shoe; but what did he do? Did he retrace his

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his steps to Adelaide, and say, I have compromised the bargain I made with you; I have tried to penetrate, but am unable, and therefore I give up the attempt? No. But he says, I cannot outdo the enemy in front, so I will try to outflank him (cheers). The centre of Australia is not to be attained easily; and if he fail to reach it this winter, he will at least have paved the way so far by which we may trust to see him reach it next winter (great cheering). His Excellency concluded by proposing, 'Prosperity to the Colony of South Australia.'"

Edward Stephens, Esq. then proposed, "Mrs. Gawler, and the ladies of South Australia," and thanked them for their attendance.

His Excellency the Governor acknowledged the toast, and gave the "South Australian Company."

Mr. M'Laren, manager of the South Australian Company, in returning thanks, spoke as follows:—"As the representative of the South Australian Company, I beg leave to return to your Excellency my most respectful thanks for the flattering terms in which your Excellency has been pleased to propose the toast which has just been drunk; and I thank my fellow-colonists for the manner in which they have responded to your Excellency. If the feeling of regret can mingle at all with the proceedings of this auspicious day, it arises from the circumstance of there being none of the directors of the South Australian Company present: had there been any of them with us, the whole scene must have been in the highest degree exhilirating. I shall not fail to represent to them fully the nature of these proceedings, although I am persuaded that you must all be convinced that no description can convey an adequate idea of what we have seen and heard. At this late stage of the proceedings, it would be ill-judged to detain your Excellency and the meeting. Ere I sit down, however, I may be permitted to say that, on the 25th May 1839, I stated my intention to have a road constructed to the new port, terminating in a wharf, alongside of which vessels of from 400 to 500 tons could lie and discharge cargo out of the ship's hold on the wharf; this, I may say, has been done, and more has been done than I promised to do. These spacious warehouses, capable of containing 1,500 tons of goods, have been erected; not a fracture has been discovered in them. In reference to which I beg to state, in conclusion, that it would be very unjust and base in me not to state, that for the design, the erection, in fact, for the very idea of them, we are mainly indebted to Mr. Prescott and Mr. Hancock."

The Hon. Captain Sturt then rose to propose a toast. He said there were very few present who would not look upon the formation of the port which had just been opened as a most extraordinary undertaking. "I look," said Captain Sturt, "on the example which the manager of the South Australian Company has set, not only of signal enterprise, but as one which has proved that the port of Adelaide is capable of being made equal to the city itself. I may be permitted to say that there is no one among us more willing than his Excellency the Governor to make this an available harbour. I have received instructions from his Excellency to write to Sydney for a small steamer, to deepen the bar at the entrance (cheers), and there is another steamer here now, which I hope to see soon employed in the same way (cheers). We have now a beautiful landing-place for every kind of goods; and captains of vessels going hence to England will now report that this place is a good port for their owners to send their ships to. There can be no doubt that at Lloyd's conversations take place among the captains of vessels who meet there, regarding the ports they visit, and Port Adelaide may have suffered hitherto from the representations of persons who have been here when our port did not present such conveniences as it now does; but now no man can say we have not the means of landing cargoes (cheers), and landing them as easily and as safely as in the docks of London (cheers). This, gentlemen, is more immediately connected with the toast I am about to propose, which is the 'Commercial and Shipping Interests of South Australia' (cheers). Gentlemen, Mr. Eyre's name has been mentioned more than once this afternoon, and I may be allowed a few words regarding him, as he has written to me privately, and as I consider this a fitting time to mention what he has stated to me. Mr. Eyre says that he has been, since he left Adelaide, as much as 40 days from his party searching for a more favourable country and water, such has been the unfavourable nature of the country he has fallen in with; and he also says that he is afraid, from the ill success he has as yet met with, that the colonists will think he is remiss in his duty. But I am sure you will all join with me in telling Mr. Eyre that he need entertain no such apprehension, and I am sure you will also join with me when I say that he deserves the best thanks of the colonists for his exertions to penetrate into the interior (great cheering). I anticipate that the large lake which he has found is nothing more than the estuary of an immense and navigable inland sea. By flanking this sheet of water he may most probably fall in with this sea; and if he do so, he redeems his pledge to the colonists, and will open up a way by which we may carry our intercourse into the very centre of Australia" (cheers). Captain Sturt then proposed, "The Shipping and Commercial Interests of South Australia."

John Morphett, Esq. on behalf of the mercantile body, shortly returned thanks. He said South Australia could boast of members of the commercial body, who can support that body, and who are a credit to it; and he trusted the commercial men of the colony should continue to obtain the esteem of their fellow-colonists for time to come, as they have done hitherto.

Immediately after this the meeting broke up.

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Enclosure No. 4.

EXTRACTED from the *South Australian* Almanack for 1841.

AGRICULTURAL AND PASTORAL PROGRESS.

THE progress which has taken place in agricultural and grazing operations during the last year is the most striking, and, at the same time, the most substantial and gratifying proof of South Australia's onward progress. When we last appeared before the public, the country, with the exception of about 500 acres immediately around Adelaide, was still in its natural state, while, with a few exceptions, the whole of the population was centered in the space comprised within 20 or 25 miles of the capital. During the last 12 months, however, such has been the rapidity with which settlers have located in the country, that now, as we shall presently show, somewhere about 3,000 acres are either actually under crop, or crops have been just reaped off from them, which in the low districts is generally the case, while the circle of civilization has been extended from its former bounds to at least 70 miles around Adelaide.

Before we proceed to speak particularly of this season's agricultural and pastoral operations, we beg to present the following Table, with which we have been favoured by the surveyor-general, showing the total quantity of land surveyed, and the quantity selected within the colony on the 30th November 1840 :—

DISTRICT.	Number of Acres Surveyed.	Number of Acres Selected.
A.	55,248	48,048
B.	56,898	23,840
C.	48,400	16,400
D.	44,880	2,720
E.	31,680	8,000
F.	6,080	2,640
On the Little Para	160	160
On the Gawler	3,440	400
At Mount Barker	960	480
Sections at Port Lincoln	5,280	—
On the Finniss	9,680	—
Near Currency Creek	4,240	—
Contents of special surveys	185,877	52,440
TOTAL Surveyed into Sections	452,823	—
Add proportion for roads	22,641	—
City of Adelaide and parks, &c.	3,400	—
TOTAL Land Surveyed	478,864	155,128

This table shows that what was long felt here (a want of surveyed land) is now completely remedied, there being at the present moment no less than 297,695 acres of land surveyed and ready for selection.

It was for some time a generally-received opinion, that the climate and soil of South Australia were uncongenial to the growth of wheat, barley, potatoes, &c. This idea, we have reason to believe, got afloat from the circumstance of some persons having, in the early part of the colony's existence, failed in raising crops during the summer, and on land turned up for the first time. The absurdity of this opinion, which was for some time prevalent, will now become apparent to every one who will take the trouble to ride or walk a few miles into the country in any direction around the capital. In the course of compiling this publication, we have ourselves had occasion to visit most of the settled districts of the colony, and we can affirm, from personal observation, that most of the crops we have seen could not be surpassed anywhere. We have seen wheat gathered within the last fortnight which will produce fifty bushels an acre; and we believe the farmers will bear us out in the assertion, that the produce of all grain that was sown in proper season will average thirty bushels an acre. In many parts of the country (in the Mount Barker district particularly) the seed had been put in too late; and wherever this has been the case, the produce of the crops will be indifferent. This unseasonableness in sowing is to be attributed to the circumstance of the settlers, in almost every instance, not having obtained their land until about May, June and July. The utmost confidence, however, exists as to the capabilities of the soil and climate, even among those whose crops will be a partial failure this season; and no better proof of the existence of this confidence can be had than the fact that almost every farmer is preparing a double, many a treble and quadruple, quantity of land against next seed time.

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For pastoral pursuits, the colony has always been allowed to be eminently qualified. The rapidity with which stock of every description increases, and the all but total absence of disease of any description among our flocks and herds, are conclusive evidence on this point. Catarrh, so much felt in New South Wales, has never been known in South Australia; and even the scab is now, owing to the attention of the shepherds, fast disappearing from our flocks. The increase of stock during the last two years, by importation and breeding, has been very great. On the 1st January 1838 the stock in the colony was estimated at—

Sheep	28,000
Cattle	2,500
Horses	480
Pigs and goats	780

On the 1st December 1839 the estimate was—

Sheep	108,700*
Cattle	7,600
Horses	800
Pigs and goats	1,700

We shall now proceed to show the increase in the number of stock, and in the quantity of acres cropped during the last 12 months.

The numbers of cattle, sheep and horses imported into the province during the year ending 30th November 1840 have been—

Sheep	70,000
Cattle	4,257
Horses	300

We have been at considerable pains to obtain as full and correct an account of the whole quantity of stock, and the extent of land under crops in the colony, as possible, and have drawn up the following tables, which, while they show both these pretty correctly, serve at the same time as a complete directory for the country districts.

* We have reason to believe that this estimate was considerably over the mark.

COUNTRY DIRECTORY FOR 1841.

ADELAIDE AND NEIGHBOURHOOD.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Addison, Joseph, Wymondly Bury Farm	-	44	1	6	3	-	-	3	—
Allen, John, Adelaide	*								
Allen, J. & W., Reed Beds	-	50	2	-	-	-	-	-	25
Alleyne, W., Reed Beds	-	40	2	16	-	-	-	8	—
Alderman, ——, Reed Beds	-	-	-	-	-	-	-	-	5
Alston, George, Sturt River	-	-	-	-	-	-	-	-	8
Anderson, ——, Kensington	-	15	2	-	-	-	5	—	
Argen, William, Payneham	-	4	-	-	-	-	-	-	5
Asgood, ——, Reed Beds	-	-	-	-	-	-	-	-	5
Baker, John, Adelaide	4,000	20	7	—					
Berkeley, Charles, Hallet's Creek	-	-	-	-	-	-	-	-	5
Boord, A. F. & S. E., Torrens	-	-	3	2	-	-	-	3	1
Booth, ——, Reed Beds	-	4	-	-	-	-	-	-	50
Borrow & Goodier, Adelaide	700	148	5	-	5	5	-	5	—
Bowman, John, Islington	800	6	2	3	2	—			
Bradford, John, Sturt Grove	102	29	1	4	2	1	3	3	—
Brown, W. V., Albert	-	18	4	—					
Burford, ——, Islington	-	12	—						
Campbell, Jno., Stonefield Cottage	-	15	1	—					
Chalk, Thomas, Mackgill	-	5	—						
Christie, Maxwell, Woodside	-	5	—						
Cock, John, Brownhill Creek	-	16	—						
Company, South Australian	14,517	1,063	31	60	34	20	-	2	—
Cook, W. R., Walkerville	*								
Cook, William. Hindmarsh	-	36	—						
Cottorell, J., Reed Beds	-	2	3	-	-	-	-	-	7
Cottar, T. Y., District B.	-	36	2	—					
Coutts, James, Sturt River	-	50	3	10	3	27	—		

* No return.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Cowled & Humphreys, Islington	-	55	2	—					
Craigie, Robert, Adelaide	-	80	9	—					
Crispe, Clement, Adelaide	1,150	462	16	—					*
Davis, A. H. & Co., Moore Farm	-	6	6	9	11	21	5	11	10†
Day, Richard, Plains	-	40	—						
Daw, J. W., Sturt River	-	30	2	-	-	-	-	-	3
Debney, Robert, & tenants, Reed Beds	30	3	-	-	-	-	-	-	25
Duncan, H. Eldon, Sturt River	-	9	1	30	2	5	4	1	—
Edwards, ——, Kensington	-	6	1	—					
Ellis, J. & G. Howson, Prospect Vil.	-	61	1	—					
Everard, Chas. G., Section 44	60	56	5	3	3	2	-	2	—
Falkner, ——, North Adelaide	-	10	—						
Ferguson, William, Mackgill	-	50	7	23	8	8	-	12	—
Finlayson, William, Hillfoot	-	10	-	-	-	-	-	-	5
Fisher, J. H., Adelaide	‡								
Forrester, W. I., Emma Grove, Reed Beds	-	40	4	—					
Forrest, T. A., Wardend, 4th Creek	-	14	2	—					
Freeman, ——, Plains	-	10	—						
Fry, Robert, Islington	-	32	—						
Gandy, George, Thebarton	-	35	—						
Garratt, ——, Makgill	-	2	2	-	-	-	-	-	5
Giles, William, Adelaide	3,000	5	—						
Giles, C., South-terrace	-	36	—						
Gleeson, E. B., Gleeville	7,300	550	24	40	20	60	16	4	—
Goodard, G., Reed Beds	-	6	-	-	-	-	-	-	18
Gooch, Charles, Richmond-hill Farm	-	25	5	7	10	-	5	3	—
Gould, J., Brownhill Creek	-	70	1	-	-	-	-	-	30
Greig, James, Brownhill Creek	-	10	-	-	-	3	-	3	—
Guley and eight others, Reed Beds	-	-	-	-	-	-	-	-	23
Guppy, Wm., Payneham	-	10	—						
Gubbins, George, South Adelaide	-	29	—						
Hallett, John, South Adelaide	2,350	120	5	-	-	-	-	2	§
Hamilton, George, Grenfell-street	2,400	100	2	—					
Hamilton & Hardy, Grenfell-street	1,100	-	-	-	-	-	-	-	6
Hamilton, R. C., River Sturt	-	39	-	2	2	-	1	2	—
Hardy, Arthur, Torrens	790	-	-	2	—				
Higgins and others, Mountains	-	39	—						
Hoskins, Wm., Treganini	-	27	-	-	-	-	-	-	12
Howard, Wm., Onkaparinga Road	-	-	-	-	-	-	-	-	3
Hunt, ——, Kensington	-	19	-	-	-	-	-	-	4
Ind, Joseph, Torrens	-	8	-	-	-	-	-	-	10‖
Inglis, James, Makgill	-								
Jones, Henry & Frederick, Adelaide	3,200	300	7	—					
Johnston & Macdonald, River Sturt	-	10	7	3	1	1	-	2	—
Kemmis, H., Payneham	730	43	-	3	-	-	-	-	16
Kent, B. A., East-terrace	-	8	—						
Kerr, John, Hampstead	-	14	-	-	-	-	-	-	6
Klemzig, German Village	-	90	29	-	-	-	-	-	72¶
Lewis, R. T., Brownhill Creek	-	26	2	-	-	-	-	-	10
Little, James, Goodwood	-	4	1	-	-	-	-	-	3
Lucking & Hearn	-	46	1	5	-	3	-	1	1
Maclaine, Angas, Dry Creek	-	82	2	-	-	-	-	-	3
Mactavish, Dougall, Section 266	-	6	-	10	10	—			
Masters, James, Reed Beds	-								
Mildred, H., Clareville	250	-	2	-	-	-	-	-	50
Mitchell, Fred., Wyndham Farm	1,000	25	5	-	-	-	-	-	10
Metcalf, H., North Adelaide	2,000	100	7	—					
Mitford, E. R., Woodend, Sturt River	-	-	-	7	-	1	1	2	—
Mitchell, W., North Adelaide	-	45	1	—					
Mooney, ——, Plains	-	15	—						
Morrice, Pryce, Reed Beds	—								
Mullar & Lukes, Kensington	-	32	1	—					
Murray, A. J., Atholstane	-	-	-	3	2	2	-	3	
M'Lean, Donald, Duskey	40	30	-	12	3	—			
M'Pherson, ——, Islington	500	41	—						
Neale, W. H., 4th Creek	-	20	3	—					
Nell, H. Harley, Sturt River	-	5	1	1	-	-	5	—	
Newman, John, & Co., Adelaide	-	250	6	—					
Nias, Joseph, Torrens	-	130	1	—					
O'Halloran, Captain, Sturt River	—								
Paine, S., Reed Beds	-	5	1	16	-	-	-	8	—
Paterson, J. W., Sturt River	-	46	19	-	-	-	-	-	1
Pinkerton, William, Studley	650	60	3	—					

* Preparing 80 acres for next year.
‡ No return.
‖ Garden.
† Four acres vegetables, and six acres orchards.
§ Preparing to cultivate from 100 to 150 acres next season.
¶ Wheat, barley, maize, and vegetables.

(continued)

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Reid, William, Kensington	-	26	1	-	-	-	-	-	5
Rigby, ——, Sturt River	-	30	2	-	-	-	-	-	1
Ring, William, Hindmarsh	-	8	—						
Roberts, Edward, Pine Forest	-	8	1	—					
Rogers, William, Tusmore	800	50	5	150	—				
Rollason, ——, Reed Beds	-	-	-	-	-	-	-	-	4
Rowlands, Edward, Adelaide	*								
Sandford, ——, 3d Creek	-	-	1	-	-	-	-	5	—
Scown, J. T., Cornwall Farm	-	30	-	-	-	-	-	-	3
Scott, William, Brookside	2,000	16	1	6	3	-	-	-	2
Sergeant, W. F., Log House, Sturt River	30	12	-	3	1	-	2	2	—
Sleep, Thomas, Brownhill Creek	-	28	1	-	-	-	-	-	6
Smith, William, Hartfield	-	36	-	-	-	-	-	-	23†
Smith, D., Hindmarsh	-	28	—						
Spence, David, Adelaide	-	24	—						
Spicer, W., Brownhill Creek	-	40	1	-	-	-	-	-	2
Struthers, Walkerville	*								
Sturt, Charles, Adelaide	-	15	8	—					
Taylor, Thomas, River Sturt	1,300	74	2	-	-	-	-	-	12
Teakle, Enoch, Hindmarsh	-	12	—						
Watson, Hugh, Woodend	-	11	—						
Watson, W. G., Mount Anne	-	28	2	-	-	-	-	-	7
Watts, J., Hindmarsh	-	30	—						
Wearing, C. H.	-	12	1	-	-	-	-	-	3
Weaver, A., Woodlands	520	4	5	12	3	3	-	2	5
Wingfield, James, Makgill	-	8	-	-	-	-	-	-	5
Windsor, John, Lagoon Farm	-	-	20	2	—				
White, John, Reed Beds	500	70	3	40	20	—			
Woodward, Leonard, Reed Beds	-	-	-	-	-	-	-	-	3
Wright, George, Greenfoot	-	33	-	-	-	-	-	-	7
Wyllie, D., near Makgill	-	11	—						
Young, George, Hillfoot	-	4	-	6	2	2	—		
TOTALS	51,819	5,876	306	496	150	164	47	89	541

* No return. † Preparing 100 acres for next season.

MOUNT BARKER AND NEIGHBOURHOOD.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Anderson, Thomas, Balhannah	-	3	-	-	-	-	-	-	2
Archer, James, Valleys	-	300	6	-	-	-	-	-	2
Bartlett, Samuel, Balhannah Inn	-	10	1	-	-	-	-	1	—
Beevor, Isaac, River Bremer	1,200	-	-	-	-	-	-	-	—
Bond, Samuel, Three Brothers	-	-	-	-	-	-	-	4	—
Bull, J. W., Creditors, Balhannah	-	20	2	6	-	-	-	3	—
Brackenbridge, James, Glenhannah	200	22	-	2	2	-	1	1	—
Cattle Company, Hawdon Vale	-	260	6	10	1	3	1	1	10 f.*
Cock, Alexander and William, Glenhannah	300	-	-	2	-	-	-	1	—
Cock and Ferguson, Mount Annan	250	6	1	6	3	2	2	5	—
Corder, Thomas, Three Brothers	-	20	-	5	-	-	1	-	10 f.
Davison, Captain, near Nairne	520	44	3	29	10	5	-	5	—
Disher, John, Nairne	800	17	1	-	-	-	-	2	—
Downes, Richard, near Nairne	-	14	-	5	2	-	-	1	—
Driver, Charles, Nairne	500	20	-	-	-	-	-	2	—
Driver, John, Balhannah	-	-	-	-	-	-	-	-	4
Dunn, Charles, Nairne	500	20	-	-	-	-	-	2	—
Duthy, George, Three Brothers	-	-	-	4	-	-	-	2	—
Field, William George, ditto	-	26	2	10	-	10	1	3	—
Freeman, Thomas, Onkaparinga Ford	2,000	3	1	-	-	-	-	-	—
Hack, John Barton, Echunga Springs	-	1,000	90	60	6	2	-	7	6 g †
Hahndorf, village of, containing 54 German families	-	100	5	80	-	-	-	40‡	—
Hamilton, George	500	-	-	-	-	-	-	-	—
Hentig, Charles, near Hahndorf	-	-	3	-	-	-	-	-	16

* Fallow. † Garden. ‡ And other vegetables.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Hillman, John, carpenter, Nairne	-	2	-	-	-	-	-	1	—
Hodding, Frederick, Three Brothers	-	15	2	6	2	-	-	3	—
Hughes and Davis, near Nairne	-	3	-	-	-	-	-	-	8
Hunter & Peters - - ditto	-	50	-	-	-	-	-	-	14
Hutchinson, ——, - - ditto	900	15	—						
Johnson, William, Glenhannah	-	35	-	3	2	-	-	2	—
Lawson, —— - - ditto	400	-	-	-	-	-	-	2	—
Little & Son, Three Brothers	-	20	1	5	-	-	-	1	—
May, Joseph, Fairfield Farm	-	15	1	10	-	-	-	4	20 f.
M'Farlane, Allan, Glensloy	100	12	—						
M'Farlane, Duncan, Mount Barker	-	400	4	-	-	-	-	-	12
Melrose, ——, Glensloy	130	-	-	-	-	-	-	-	4
Monro, ——, ditto	-	-	-	-	-	-	-	-	10
Morphett, John, station, Bremer	650	—							
Murdock, Mrs., near Nairne	1,800	150	-	-	-	-	-	-	12
Owen, John, Balhannah	-	-	-	-	-	-	-	-	4
Perkins, Richard, and others	-	6	-	-	-	-	-	-	40
Richardson, William, Balhannah	-	40	1	-	-	-	-	-	7
Rodwell & Reeves, River Bremer	1,200	—							
Saunders, George, Three Brothers	-	12	1	4	-	-	-	1	—
Scott, John and Charles, near Nairne	800	—							
Shakes & Breton - - - ditto	-	12	-	-	-	-	-	-	7
Shannon, Abraham, Balhannah	-	-	-	-	-	-	-	2	—
Smillie, Matthew, Nairne	1,900	—							
Smith, Charles H.	-	14	1	-	-	-	-	-	6
Stoddard, Mrs., Nairne Inn	-	20	-	-	-	-	-	2	—
Thompson, James, Balhannah	-	-	-	5	18	-	-	2	—
Warner, John - - - ditto	-	3	-	-	-	-	-	-	3
Warren, Thomas, Mount Barker	-	12	1	16	4	-	-	3	—
Whitington, W. S., & Co.	1,250	16	3	—					
TOTALS	15,900	2,727	126	259	48	25	5	99	161

The crops around Balhannah are, with two or three exceptions, very poor. The exceptions are in cases where the seed was early sown—in April and May. The crops are all on land ploughed for the first time, and in most cases the seed was not sown till July, August, and even September.

Mr. Hack, at the Three Brothers, had 30 acres sown in September, with winter and Talavera wheat. The winter wheat was a very small crop; but the Talavera, sown on the sod newly turned up, produced about 15 bushels an acre. As this proves the capability of a very unfavourable season of the spring sowing of wheat, it is an important experiment. On the poor soils in this district, the small grey grub has partially destroyed the potatoes, but in the rich bottoms they are not touched. The grub lives under ground in the day, and feeds at night. Lime has been tried to destroy it, but without success. The winter sown wheat, especially that sown in April, is of the most luxuriant description. Mr. Hack has 600 acres inclosed in the Three Brothers Survey.

The population of the Mount Barker district is somewhere about 600 persons, rather over than under.

MORPHETT VALE AND NEIGHBOURHOOD.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes	No Specification.
Anderson, Alexander, Emu Hotel	-	32	2	-	-	-	-	-	4
Brodie, Alexander, Morphett Vale	-	3	1	-	-	-	-	-	10
Brewer, Charles - - ditto	-	30	1	-	-	-	-	-	3
Craig, James, Craigbank	250	22	2	-	-	-	-	-	10
Castle, Edward	-	2	1	-	-	-	-	-	3
Hallett, Alfred, Morphett Vale	-	30	2	-	-	-	-	-	3
Long, Alexander W.	800	-	1	-	-	-	-	-	1
Kelly, Thomas	-	1	1	-	-	-	-	-	6
Hitchcock, Adam	-	2	—						
Laurie, James, Martin Farm	300	25	-	-	-	-	-	-	15
Lateward, Thomas		4	-	-	-	-	-	-	25
Murray and Greig, Pirnunga	-	2	2	-	-	-	-	-	12
Miles, Samuel, Mandoodla	1,500	2	3	-	-	-	-	-	3
Murray, Alexander, Mount Pleasant	-	16	1	-	-	-	-	-	6
Nicholson, A. B., Zetland	-	12	1	-	-	-	-	-	8
Sawyers, W. J., Morphett Vale	-	6	—						
Turner, James and John, Thrush Grove	300	3	3	-	-	-	-	-	5
Wilson, James Carpenter	-	2	—						
Wilson, William, Martin Farm	700	—							
TOTALS	3,850	194	21	-	-	-	-	-	114

Population of the district—150.

HURTLE VALE AND NEIGHBOURHOOD.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Burgess and Morphett, Carrington, Happy Valley	- -	255	18	- -	- -	6	—		
Lochead, Winter, and Co., Putnah	- -	30	2	- -	- -	- -	- -	- -	4
Lucas, Thomas, Surryville	- -	70	1	- -	- -	- -	- -	- -	20
O'Halloran, Thomas S., O'Halloran Hill	- -	95	3	- -	- -	- -	- -	- -	2
Perry, Thomas Parr, Hurtle Vale	- -	8	2	7	4	14	1	1	—
Reynell, John, Reynella Farm	2,500	- -	4	20	10	5	- -	10	10
Sharples, William, and Co., Cowiemanilla	- -	4	2	4	4	4	- -	4	—
Tadley, Alexander, Rosenberry Farm	30	50	- -	5	3	- -	- -	2	—
Tanters, Ben., Merry Estate, Tapley Hill	1,000	—							
Wauchope, Captain	- -	10	—						
TOTALS	3,530	522	32	36	21	29	1	17	36

Major O'Halloran has upwards of four sections fenced.

Population of this district—about 50 persons.

PARRA RIVERS.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Allen and Ellis, Gawler Estate, Pt. Gawler	1,500	12	9	- -	- -	- -	- -	- -	*
Burns, Edward, Gawler Town	—								
Dobney, William, Gawler Town	—								
Duncan and McKean, North Parra	525	14	1	—					
Graham, William, Gawler Town	—								
Jacques, Robert, Gawler Town	—								
Ilberry, James, North Parra	- -	74	3	6	- -	- -	- -	3	—
King, Stephen, North Parra	3,250	14	1	—					
Milne, R. L., South Parra	- -	90	1	- -	- -	- -	- -	2	—
Miller, Thomas C., Little Parra	- -	9	—						
Monteath, Thomas T., North Parra	700	—							
Patterson and Fotheringham, North Parra	- -	6	- -	- -	- -	- -	- -	- -	3
Pheffnder, J., Gawler Town	—								
Reid, John, North Parra	1,436	68	1	- -	- -	- -	- -	- -	27
Robertson, R., Hotel-keeper, Gawler Town	- -	4	1	—					
Station of G. M. Stephen	6,000	- -	- -	- -	- -	- -	- -	- -	1
Stubbs, Thomas, North Parra	- -	23	3	—					
Sutton, John, North Parra	- -	4	- -	- -	- -	- -	- -	4	—
Tooth, Nelson, Hotel-keeper, Gawler Town	- -	30	3	- -	- -	- -	- -	2	—
Trustees of John Walker	1,600	—							
Williams, Thomas, Hermitage	- -	114	4	27	- -	8	6	5	—
Williams and Grant, Little Parra	1,300	—							
TOTALS	16,311	462	27	33	- -	8	6	16	31

Mr. Richardson and several others have made no returns.

Population of the North and South Parra, which includes Port Gawler, Gawler Town, and surrounding country—260.

* Fifty acres ploughed for wheat and barley, and 10 for potatoes. Operations hitherto have been confined to trials of the soil, which have met with very favourable results: 300 acres fenced; cut 100 tons hay.

ONKAPARINGA AND NEIGHBOURHOOD.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Cliff, John, Devonshire Farm	140	11	- -	3	2	—			
Colton, William, Daringa Valley	160	24	1	10	4	—			
Douglass, James, Blythe	- -	40	1	2	1	—			
Edward, Isaac, Halifax	- -	12	- -	- -	6	—			
Heppenstall, George, Onkaparinga	- -	10	2	- -	- -	- -	- -	- -	2
Harris, Edward, M'Laren Vale	- -	4	-	3	2	—			
Hewitt, Charles Thomas, Oxenberry Farm	400	42	1	10	4	—			
Hamilton, ——	- -	6	1	- -	- -	- -	- -	- -	10
Hollins, Philip, innkeeper, Noarlunga	—								
Longley, Mrs., Onkaparinga	- -	1	1	- -	- -	- -	- -	- -	3
Lodwick, A. and E., ditto	2,000	—							
Martin, M., Somerset House, Cananapella	240	46	2	- -	- -	- -	- -	- -	8
Miller, Robert, Kungarilla	1,000	- -	- -	- -	- -	- -	- -	- -	5
M'Leod, L. H., Kunka-lilla-pungah	1,400	6	3	- -	- -	- -	- -	- -	8
M'Leod, ——, Tarranga	1,950	50	3	- -	- -	- -	- -	- -	8
Scott, Frederick, Brownson	- -	8	1	5	2	—			
Tall, Samson, American House	20	- -	- -	1	1	—			
Wickham, Benjamin, Kungarilla	300	—							
Wilson, ——	1,100	—							
TOTALS	8,710	260	16	34	22	- -	- -	- -	44

Population of the district—about 120 persons.

There are an inn and a store at the town of Noarlunga. A bridge over the river where the Patapinda or Great South Road passes, is almost completed.

WILLUNGA.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Atkinson, William, innkeeper	- -	100	2	10	2	- -	- -	3	—
Colvill, John, Wyecareywindererilla	1,500	4	- -	- -	- -	- -	- -	2	—
Calder, John, Government surveyor	—								
Johnson, William, Willunga	- -	- -	- -	4	—				
Kilpatrick, - - ditto	- -	20	2	- -	- -	- -	- -	- -	5
Loud, Edward, - ditto	- -	4	- -	- -	- -	- -	- -	- -	12
Johnson, William, ditto	—								
Scott, ——, - - ditto	- -	- -	- -	6	3	2	- -	4	—
TOTALS	1,500	128	4	20	5	2	- -	9	17

Population of the district—about 150 souls.

There is a quarry, which yields excellent slate, wrought in the mountains by Mr. Loud. In the township of Willunga is a good inn, a police station, and a survey station.

ENCOUNTER BAY.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Brown, ——, Valley of the Hindmarsh	250	- -	- -	- -	-	- -	2	2	—
Dean and Robertson, ditto	*								
James, ——, Inman Valley	-	50	—						
Kirby, ——, ditto	- -	10	- -	- -	- -	- -	- -	- -	4
Keeling, Misses, Yilki	- -	18	- -	3	1	—			
Moorehouse, Miss, Arena Farm	- -	20	- -	4	2	2	- -	2	—
Mayer, Rev. ——, German missionary	—								
Newland, Rev. R. W., Yilki Farm	- -	55	2	7	4	2	2	—	
Strangways, T. B., Valley of Inman	- -	150	7	10	—	6	4	—	
Thomson, W., innkeeper	—								
Worthington, Isaac	- -	4	- -	- -	2	4	—		
TOTALS	250	307	9	24	9	14	8	4	4

The population of the Encounter Bay district is about 80 souls, independent of the companies of whalers who reside at the Bay during the winter season.

* No return.

STRATHALBYN AND NEIGHBOURHOOD.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Davenport, J., survey next Angas	500	100	4	—					
Dawson, James, Strathalbyn	-	50	3	-	-	-	-	-	2
Gemmell, John, ditto	2,200	200	10	—					
Gilpin, Bernard, ditto	900	-	2	—					
Hamilton, George, station, road to Angas	1,600	—							
Mein, Nicol A., Strathalbyn	1,100	-	3	-	-	-	-	1	—
Mein, William, - ditto	-	30	4	-	-	-	-	1	—
Richardson, O. K., ditto	-	-	1	-	-	-	1	1	—
Rankin, Dr., - ditto	-	600	30	6	2	2	—		
Rankin, William, ditto	-	65	3	-	-	-	-	-	4
Stirling, E. & C., ditto	1,100	-	2	-	-	-	1	—	
Saunderson & Co., storekeepers	—								
Tod, Patrick James, Strathalbyn	1,400	-	2	-	-	-	2	—	
TOTALS	8,800	1,045	65	6	2	2	4	3	6

A store and inn in the township of Strathalbyn.

PORT LINCOLN.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No specification.
Biddle, Thomas	600	6	-	-	-	-	-	-	4
Brown, John	500	—							
Driver, Charles	600	100	5	-	-	-	-	-	5
Dutton, C. C.	*								
Hawson, Henry	100	50	2	—					
Smith, Matthew	*								
William, Smith	-	-	-	-	-	-	-	-	3
White, S. W. and Frederick	1,200	70	2	—					
TOTALS	3,090	226	9	-	-	-	-	-	17

* No returns.

OTHER DISTRICTS AND OUT-STATIONS.

NAME AND ADDRESS.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Anstey, George, station to the North	9,000	-	4	—					
Bemes, Rt., Preston Plains, Light River	-	600	10	—					
Cattle Company, Mount Crawford	-	490	—						
Finnis, Capt. John, Mount Dispersion	12,000	—							
Frew & White, Mount Crawford	-	250	3	—					
Gilbert, Joseph, Barossa Range	3,000	—							
Horrocks, J. A., Beaumont Cottage, Hutt River	2,800	10	4	7	1	3	2	1	—
Kinchela, James, lately overland	5,000	800	20	—					
Leake, R. L.	2,500	—							
Malcolm, Wm. & P., Upper Gawler	800	—							
Peters' stations River Broughton	18,000	—							
Warren, John, Barrossa	-	60	3						
TOTALS	53,100	2,210	44	7	1	3	2	1	

AN ABSTRACT of the whole of these DISTRICTS furnishes the following Table:—

DISTRICT.	Sheep.	Cattle.	Horses.	Wheat.	Barley.	Oats.	Maize.	Potatoes.	No Specification.
Adelaide, and Neighbourhood	51,819	5,876	306	496	150	164	47	89	541
Mount Barker	15,900	2,727	126	259	48	25	5	99	161
Parra Rivers	16,311	462	27	33	- -	8	6	16	31
Hurtle Vale	3,530	522	32	36	21	29	1	17	36
Morphett Vale	3,850	194	21	- -	- -	- -	- -	- -	114
Onkaparinga	8,710	260	16	34	22	- -	- -	- -	44
Willunga	1,500	128	4	20	5	2	- -	9	17
Encounter Bay	250	307	9	24	9	14	6	4	4
Strath Albyn	8,800	1,045	65	6	2	2	4	3	6
Port Lincoln	3,000	226	9	- -	- -	- -	- -	- -	17
Out-stations	53,100	2,210	44	7	1	2	2	1	—
TOTALS	166,770	13,957	659	915	258	246	71	237	971

In addition to the foregoing list of the names of the actual settlers, and of the specific quantities of stock and of land under cultivation, there is a considerable number of persons who have neglected to furnish the editor with returns, and one or two who have refused to do so. There are also several unintentional omissions, which, owing to the difficulty of communicating with individuals scattered over the country, especially to the northward and eastward, and at considerable distances from Adelaide, it has been found impracticable to supply in time for the present publication. A just approximation to the whole quantities in the colony however may, in our opinion, be made by adding for such omissions 10 per cent. to the number of cattle, and 20 per cent. to the quantity of sheep, which will bring the numbers out as follows:— Governor Gawler to Lord J. Russell, 28 Dec. 1840.

Stock	14,000
Add 10 per cent.	1,400
Add working cattle employed in the town, and in the port traffic: cows, &c. kept in town and in the villages adjoining, not enumerated	700
TOTAL Stock	16,100
Sheep ascertained	166,770
Twenty per cent.	33,390
TOTAL Sheep	200,160

To the number of horses shown by the returns we have procured from the country districts, those employed in Adelaide and used in the trade between the city and the port fall to be added. Their number, from the best inquiry we can make, may be stated at 300.

These numbers show an increase of—

Sheep	91,400
Cattle	8,562
Horses	260

since last December. Besides this increase, about 3,000 sheep have been exported from the colony; and the cattle and sheep slaughtered to supply a population of 15,000 persons must be added to show the actual increase during the year.

The quantity of land in field cultivation only has been returned; to that return must be added the numerous gardens in Adelaide and the villages adjoining. A careful estimate of the quantity of land under garden and vineyard cultivation enables us to state the number of acres at 135.

On the whole the quantities of land under cultivation may be stated as under—

Wheat	915
Barley	258
Oats	246
Maize	71
Potatoes	227
Crops not specified	971
Gardens, &c.	135
TOTAL Acres cultivated in the Colony	2,823

Paper, No. 33.

Copy of a DESPATCH from Governor *Gawler* to Lord *John Russell*.

(No. 2.)

My Lord, Adelaide, 18 January 1841.

Governor Gawler to Lord John Russell, 18 Jan. 1841.

A delay in the sailing of the vessel by which my letter (No. 1), Finance, 14th January 1841, is forwarded, enables me to enter upon those subjects contained in the conclusion of the Commissioners' Report to your Lordship of the 7th July 1840, upon which I ought to offer my views.

Under the extremely inconvenient and disadvantageous circumstances in which the burning of my offices has for the present placed me, I trust your Lordship will pardon any irregularity or deficiency which may attend my mode of doing it.

The Commissioners recommend that the expense of the police force should be thrown upon the colony, and that if the colony should not be able to maintain such a force in sufficient strength, the colonists should be formed into volunteer corps for their own defence.

The last proposition, I think, my Lord, you will perceive, goes far to prove that the Commissioners are holding, I do not presume to say intentionally, but practically, the original self-supporting system as their primary object, in preference to the reasonable safety and prosperity of the colony. It would be a course fraught with the greatest dangers to a large and new community, scattered in a wilderness, and would soon terminate in anarchy. Every outsettler, as regards the aborigines at least, would take the law into his own hands. Even in the present state of things, with a well-commanded efficient police, it requires incessant care and decision to prevent such evils.

The colony, I conceive, by its customs and license duties, contributes considerably towards the maintenance of its police force. Nevertheless bills must be drawn extensively on England towards its maintenance. The Commissioners insist that every bill shall be an actual payment for value or work previously received; I, in consequence, am compelled to devote cash received from the customs, among other things to payments in which such bills cannot be made available—to surveyors, labourers, emigrants on public works, &c. If, therefore, on one hand the police force should be partly supported by the loan in England, on the other the Survey and Emigration Departments must be partly maintained by the revenue from the province.

I need scarcely entreat your Lordship to protect the colony from the evils which would ensue from an inefficient or insufficient police. I assure your Lordship most conscientiously, that if a change were to be made, it ought to be on the side of increase rather than of decrease. It is under this conviction that I have been endeavouring to support the police by a volunteer militia, not to substitute a volunteer militia for them.

The Commissioners recommend that the mayor and the senior aldermen and town-councilmen of corporate towns, should be ex-officio members of the Legislative Council. I am, as I before had the honour to acquaint your Lordship, desirous for the admission of private colonists into the Legislative Council. I am even willing to face the difficulty and risk of public elections to this end; but it appears to me absolutely essential, that if members are admitted under elections, such elections should be direct, and not collateral. The colonists have elected one or two persons to be members of the Town Council of Adelaide, whom I am confident they would not elect to be members of the Legislative Council, with whom, also, no governor could sit with advantage to the province, if they were so elected.

In the ex-officio appointments from Town Councils, country settlers, among whom are many of our most respectable colonists, would be kept out, and all would be changed once a year.

There could be, I respectfully conceive, no hope of reasonable advantage from a council which should lose its distinctive character. A separate house of representatives would be safer and better than a council converted into an assembly for vehement party debates.

If by recommending representative members of council in connexion with complaints against me for unauthorized expenditure, the Commissioners intend to convey, that my expenditure has been unsupported by public opinion, I assure your Lordship that they are in error. The leading colonists have coincided with me in opinion on every great object of public expenditure, and the colonists as a body, and almost without an exception, warmly support me still. There is certainly an exception in the editor of the South Australian Register, who was formerly private secretary to Governor Hindmarsh; but this exception is of so gross a description, that I trust your Lordship will in no wise consider it as an expression of public opinion.

Until

Until the Printing Company, in which this person was a partner, lost the monopoly of the Government printing, in consequence of his extremely arrogant and unbecoming behaviour, my system of expenditure was cried up by him as "perfect propriety." Governor Gawler to Lord John Russell, 18 Jan. 1841.

The Commissioners recommend that fees should be laid on land grants, to counterbalance the expense of the Survey Department. Will it, my Lord, be possible to levy such a tax on the immense numbers of grants already issued, or upon grants for land already sold?

The Commissioners recommend that a portion of the Port Philip district should be added to South Australia. The only extensive fertile district known in South Australia, *i. e.* from the head of Spencer's Gulf on the north to the southern extremity of Lake Albert on the south, and from Gulf St. Vincent on the west to the Murray on the east, is a district in itself. It is surrounded by immense tracts of unavailable land, and can never be geographically united to another.

If any of the Port Philip district were added to it, it should, I respectfully conceive, be all. Our outports, Port Lincoln, &c. are merely (if they may be called so), small islands of good land in boundless expanses of brush and scrub.

The omission of neglecting to explore the country before a settlement was formed in it, has been unquestionably a most prolific cause of expense and difficulty. It is scarcely possible to conceive that a self-supporting system could succeed under a similar omission in a country so irregular and intricate as this is, upon which a large population was suddenly collected.

Begging again that your Lordship will pardon the haste with which this is written, under the circumstances in which the recent unfortunate fire has placed me,

I remain, &c.

(signed) *George Gawler,*
Governor of South Australia.

Paper, No. 34.

BILLS drawn in the COLONY, each Three Months in 1840, being in completion of Statement No. 2, delivered in by Mr. *Elliot,* on 5th March 1841. Bills drawn in the Colony, 1840.

	£.	s.	d.
January to March - - - - - - - - - - -	(a) 34,659	5	11
April to June - - - - - - - - - - - -	(a) 34,813	5	6
July to September - - - - - - - - - - -	(a) 30,692	14	5
October to December - - - - - - - - - - -	23,010	17	7
£.	123,176	3	5

(a) One Bill not presented, the amount of which is not known.

South Australian Colonization Office,
9 June 1841.

Joseph Jackson,
Accountant.

PAPER delivered in by *Edward Gibbon Wakefield*, Esq. 26 March 1841.

LETTER from *E. G. Wakefield*, Esq. to the Colonization Commissioners.

Gentlemen, 2 June 1835.

E. G. Wakefield to Colonization Commissioners, 2 June 1835.

In order to apologize for addressing this letter to you, I shall begin with a brief statement of facts.

Nearly seven years ago, I was induced to inquire into the causes of the disasters which, without a single exception, have befallen new colonies that were planted in an extensive country by emigrants from a civilized state. This inquiry suggested to me a plan of colonization, which was first made public in 1829. In the course of six years, that plan was adopted by three different associations; first by the Colonization Society of 1830, next by the South Australian Land Company of 1831–2, and lastly by the South Australian Association, who framed the Act of Parliament which you have undertaken to carry into effect. In the course, too, of those six years, the plan has been defended and explained in so large a number of pamphlets and books, that a list of them would surprise you. Now all of those books were written by me, and the whole of those pamphlets either by me or by friends of mine; while I also composed nearly the whole of the advertisements, resolutions, prospectuses and proposals, and of the applications, memorials, letters and replies to the Government, and other documents of any importance which were adopted by those three associations. The draft of a charter submitted to the Government by the South Australian Association, and the Act of Parliament which was substituted for that proposed charter, were drawn by a near relative of mine, under my immediate superintendence. As I was concerned in the formation of those three societies, so with each of them I held constant communication, partly by means of frequent interviews with some leading members of their committees, partly by almost daily conversation or correspondence with some person or other who represented my opinions, informed me of whatever was done or proposed, conveyed suggestions which I wished to make, and resisted, with arguments agreed upon beforehand, all sorts of endeavours to alter the plan of colonization which I had formed. By entering more into detail, I could readily satisfy you that in the steps which led to the passing of the South Australian Act, I have had even a more constant and active participation than appears by this general statement.

This general statement, however, will sufficiently explain to you that in the prosperity of the intended colony I may naturally feel a deeper interest than, yourselves hardly excepted, any other person whatever. Could there be a more ample apology for the liberty which I take in addressing you?

Still, it is not with so idle a motive as the wish to express my anxiety for your success that I am now induced, much against my inclination on other accounts, to leave the obscure path which I have hitherto pursued as to this affair. The most vital question in this affair, that upon which the success of the colony must altogether depend, is the price that shall be required for public land; and I am informed that you contemplate deciding that question in a way which, according to my humble but strong belief, will disappoint you, and every one else who hopes that this colony may greatly differ in its infant state from all the colonies that have proceeded from modern Europe. Here is my motive for addressing you; a fear that some pressing arguments in favour of a sufficient price for land may not have been brought to your notice, and a wish to lay before you my own view of the subject, which is also that of others who come near to me in their anxiety for your success.

The object which you have in view is one that has never yet been accomplished. There is not, I feel pretty confident, a single example of a colony, planted in an extensive and uninhabited country, which did not suffer great disasters during its infant state. In a great many, perhaps in a majority of such cases, when no kind of slavery was established, the colony perished from the face of the earth; while in all the other cases, I still believe without a single exception, the period of calamity lasted until some sort of slavery was established. Now your object is to plant in an extensive and uninhabited country, but without any kind of slavery, a colony which shall prosper from the beginning. If you accomplish that object, you will do what was never done before.

As like causes produce like effects, so for an object which had never been attained, it was necessary to adopt extraordinary means. After a most careful review of all the means which have hitherto failed to accomplish the same object as yours, it has been decided by some of the most enlightened men in this country, by those eminent persons who carried through Parliament the Bill for colonizing South Australia, that there is but one means of colonizing without any kind of slavery and with success from the outset, namely, by requiring for all land that becomes private property such a price per acre as will enable capitalists to maintain contracts for the service of hired labourers.

Allow me to state shortly the grounds of this opinion, and how it is expected that the price of land will be a means to the object in view.

When

E. G. Wakefield to Colonization Commissioners, 2 June 1835.

When each member of a society employs no more capital than his own hands will use, the labour of the whole society is necessarily cut up into separate fractions as numerous as the families; each family, necessarily, in order to live, cultivates the ground, and does scarcely anything else. As each family is occupied in the same mode of production, there is no motive for exchange between the different families; and as, in such a society, there is no co-operation, so there can be no division of employments. Without co-operation and division of employments, capital and labour are so weak, so unproductive, that surplus produce, either for foreign exchange or for accumulation at home, cannot be raised. This is the primitive or barbarous state of things, under which famine is the necessary consequence of one bad season: it is a state of things which all nations have suffered; and which, during the earlier stages of the world's progress, was, in every nation, succeeded by a state of slavery. As the goodness of God and the progressive nature of man are unquestionable, and as God has permitted every nation to undergo the state of slavery, so we may be sure that slavery has not been an evil unmixed with good. Slavery appears to have been the step by which nations have emerged from poverty and barbarism, and moved onwards towards wealth and civilization. While in any country land was so abundant in proportion to people, that every one could and did obtain a piece for himself, free labour presented no way of escape from that primitive and barbarous condition under which poverty is the lot of all; but along with slavery came combination of labour, division of employments, surplus produce of different sorts, the power of exchanging, a great increase of capital, all the means, in short, to that better state of things in which slavery becomes an unmixed evil, and when, accordingly, it has generally been abolished. When land is superabundant, and therefore extremely cheap, slavery seems to have been advantageous, by leading, through the greater productiveness of industry, to support for a greater number of people, and thence to such an increase of people in proportion to land, that it became easy to substitute the labour of hired workmen for that of slaves. Slavery, then, appears to have already furnished, in many cases, the means of its own abolition, and will probably do so, in time, wherever it still exists. But what is the conclusion, bearing on the present question, that we are to draw from this review of one of the steps by which Providence has ordered that nations should advance from barbarism to civilization. That conclusion is, that the only means by which labour may be combined and employments divided, so as to prevent a state of miserable poverty, are either slavery or the existence of labour for hire.

The process by which a colony goes to utter ruin, or is reduced to misery, and then gradually recovers, has been witnessed over and over again. The colonists proceeding from a civilized country, possessing capital, divided into classes, skilful, accustomed to law and order, bent on exertion, and full of high hopes; such a body of people reach their destination, and then what happens? The society, which at the moment of its landing consists of two ranks, bearing towards each other the relation of master to servant, becomes instantly a dead level, without ranks, without either servants or masters. Every one obtains land of his own. From that moment no one can employ more capital than his own hands will use. The greater part, therefore, of the capital which has been taken out necessarily wastes away. The seeds, ploughs, and other tools, with materials for building, rot on the beach; the cattle stray and perish. In a few months, nothing in the shape of capital remains beyond such small stocks as one isolated person can manage. But those of the society who have not been used to labour cannot, with their own hands, manage even that small stock, so as to increase or even preserve it; while those who have been accustomed to nothing but labour, and to labour in combination with others, finding themselves each one alone in a vast wilderness, are unable to use with advantage such small stocks as they begin with; and thus both classes (or rather the whole body, for now there are no classes) soon fall into a state of want. Despair follows of course, with mutual reproaches, and then rage, hatred, plunder and fighting; and in the end, unless aid come from without, all the people die of hunger. This is not an over-coloured picture. A very large proportion of the colonies planted by Europeans since the discovery of America have entirely perished of hunger, or have abandoned their new country to escape starvation; and the cases are very few (at present I do not recollect one), in which an infant colony managed even to exist by its own resources. In those cases, however, when the colony was preserved by assistance from without, a state of want has continued until some sort of slavery was established. Such unfortunate results were the necessary consequence of placing civilized men in a situation where they could not but sink into that state of weakness and poverty which is but one step above the condition of the naked savage. When savages advance from hunting to cultivation, they may hold their new position, and gradually advance; but when people from a highly-advanced country are suddenly, every one of them, changed into mere cultivators, they fall below that lower state of society, and come to resemble wild beasts rather than the lowest order of men. The crimes of infant colonies have been quite as remarkable as their disasters; and the cause of both is to be found in the want of precautions for guarding against that outburst of desolation which has ever ensued when the course of improvement was turned back. An extensive and uninhabited country is a field where, unless something be done to counteract the influence of too much land, a small body of civilized people must inevitably fall back into what is called a primitive state. Hitherto, in young colonies, the influence of too much land has been counteracted no otherwise than by means of slavery. In this case, slave-labour of every sort, whether that of slaves, bondsmen, redemptioners, or convicts, is wholly out of the question. What we have to consider, therefore, is the other means by which to preserve civilization.

E. G. Wakefield to Colonization Commissioners, 2 June 1835.

The history of modern colonization exhibits a great number of expedients, of which the object was to secure hired labour, notwithstanding great cheapness of land; but not one of those expedients, I venture to say, ever effected its object, for ever so short a time. Of the whole of them, some have failed the moment they were tried, while the rest have immediately changed their character by degenerating into a sort of slavery. Hitherto, force of one kind or other, which is slavery, has been the sole means by which labour could be combined in countries where land was very cheap; and, in such countries, no expedient for securing hired labour has yet proved successful. Hence the project of an undertaking, of which the object is to try whether, in countries where land is naturally superabundant, free or hired labour may be secured by means of rendering land dear enough for that purpose. The projectors of the undertaking have concluded, that by putting a certain price upon public land, labourers may be induced to work for wages during a certain term. The South Australian Act excludes all other than this one means of securing hired labour: it is built on the assumption that no other expedient for that object is likely to succeed, or ought, after so many failures, to be tried again; and that a price may be put upon all public land, which will have constantly the same effect as if land were never superabundant.

Such are the grounds on which it has been decided to employ, for an object never yet accomplished, means never used before.

The South Australian Act presumes, that those to whom it has given authority for legislating on this subject, will not fail to put a sufficient price upon public land. In other cases, it has been often left to the colonial government to determine in what quantity, in what situation, and to whom, public land should be granted; and if there had been any means of providing for the due exercise of such a power, hired labour might have been secured without requiring payment for land. Such power has been invariably abused. In the present case, therefore, no such power is given to any one. A law has been passed, declaring that in South Australia, subject to the price which you may determine, land shall be open to all, without any distinction of persons, on terms of perfect equality, and without any sort of limit as to situation or quantity. This provision, keeping from you all power to withhold land, leaving but one bar to the misappropriation of land, takes for granted, as it were, that you will determine on a price that shall be sufficient for the only object with which any price is to be required.

The Act of Parliament, most fortunately, as we shall see in a moment, throws upon you the whole responsibility of deciding what is the proper price of land. Though it declares that the price shall never be less than 12 *s.* per acre, it calls upon you to decide whether that price be high enough. The very enactment of a minimum, intimates the expectation that a higher price would be requisite. When I add, what will be remembered by such of you as were members of the South Australian Association, that a minimum price was inserted in the Act, not by desire of any one who understood the subject, but by that of a fresh Colonial Minister who never professed to understand it, you will perceive how fortunate it is, that the business of ascertaining the proper price is not left to the ever-changing, and therefore ignorant as well as careless authority of the Colonial Office, but is imposed on a permanent body, specially charged with that duty, and specially responsible for its performance.

Having established that the leading principle of the South Australian Act is a sufficient price for public land, and that to you alone belongs the task of determining what is the sufficient price, I will endeavour to state the main considerations which, as it appears to me, ought to govern a decision upon the subject.

In the first place, let it be clearly understood, that the object in putting a price on public land is not to prevent labourers for hire from ever becoming landowners. On the contrary, every one wishes that all the labourers taken out should be able to obtain land and servants of their own, after, and by means of, a few years of labour for hire. With this view it has been enacted, that all the purchase-money of land shall be employed in taking labourers to the colony, so that as labourers become landowners others shall arrive, not only to take their place as labourers, but also to supply them with servants, who in their turn again may become landowners and masters. Consequently, such a price only is requisite, as will prevent the labourer from becoming a landowner until he shall have worked for hire during a few years. The proper price, therefore, depends, for one thing, upon the length of the term during which it is proposed that labourers should work for hire. In my own calculations on this subject, I have supposed that three years would be long enough for the capitalist, and short enough for the labourer. Swarms of English labourers would be delighted to contract for three years' service at colonial wages. According, however, to the length of the term, so ought to be the amount of the price. The first point then, that you have to decide, is the desirable term of hired labour.

Secondly, since, whatever that term, the labourer will save the means of buying land and becoming a master, sooner or later, in proportion to the amount of his wages and the price of his subsistence, it follows, that the probable amount of wages and price of provisions in the colony, are two other elements of a decision as to the proper price for land. Though, without knowing the nature of the soil, and the modes of cultivation for which it will be suited, with a constant supply of combinable labour, we cannot even guess at what, if this colony were isolated from all other places, would be the probable amount of wages

and

and price of provisions, yet we may be pretty sure, that with constant intercourse between this colony and the neighbouring one of Van Diemen's Land, the amount of wages and price of provisions will never greatly differ from wages and prices in the latter settlement. If wages were much higher in Van Diemen's Land, an emigration of South Australian labourers would soon raise wages in the new colony; and if provisions were much dearer in South Australia, they would soon be cheapened by importation from Van Diemen's Land. Here then is a negative guide, at least, to a conjecture as to the probable amount of wages and price of provisions in the new colony. The price for land ought to be sufficient to maintain hired labour during a given term, on the assumption that wages will not be much lower, nor provisions much higher, than in Van Diemen's Land. The average amount of wages and prices in that colony, during the last few years, may be readily ascertained.

I am not aware of any other materials on which to build an estimate as to the proper price for land. Several others, however, have been mentioned, which, as they appear to me only calculated to mislead, ought to be examined here.

First, it has been said, the cultivation of so many acres will require so many people; these will require so many artizans to supply them with clothes, tools, houses, &c.; and if the society is to be civilized, there must be so many more for a great variety of other employments. As all the purchase-money of land is to be spent in taking people to the colony, the sale of so much land at such a price will provide such a population in proportion to land. In a word, by determining the proper proportion of people to land, we may easily determine the proper price for land.

Now it has always appeared to me, that if such a calculation as this were made, even with microscopic care, it would, after all, be mere guess-work; and that too, of the most unsatisfactory kind. Who can even guess at the number of people per acre required for the proper cultivation of land in an unknown country? The same question may be asked of all the other guesses in such a calculation. The only item in such a calculation, that is not a mere guess, is the cost of passage from England to the colony. With room for numerous mistakes, a single mistake would vitiate the estimate. It was by some such guess-work as this, that the Colonial Minister was induced to consent to what he considered so high a minimum price as 12*s*. I was asked, but refused to take part in that calculation. I refused, on the ground that it was a leap in the dark; and that it was a leap in the dark was expressly acknowledged by some who, very properly in my opinion, took it nevertheless, not because they liked it, but much against their will, in order to satisfy an ignorant scruple of the Colonial Minister, and to procure that which happily exists, viz. a commission specially charged with the duty of finding out the right price.

Secondly, as the Act declares that there shall be no colony until people here shall have paid 35,000 *l*. for land, it is necessary, say some, to fix a price which will be agreeable to people in England. We must have a new colony, in short, at all events, whether or not we have a hired-labour price for land.

To this view of the subject I have two very different objections.

In the first place, there appears to me to be no reason why we must have a new colony at all events; while the letter and spirit, the whole aim, scope and tenor of the South Australian Act, point to a particular sort of colony; that is, to one with a hired-labour price for land. There have been disastrous colonies enough, and more than enough. A new colony, founded under the South Australian Act, but without a hired-labour price for land, would, I cannot help thinking, be a great misfortune; and in two ways, first, as it would produce another scene of colonial loss and misery; and next, as it would disgrace you, and throw a slur upon that principle of colonization from which, not I only, but some of yourselves, and others, expect results of the greatest value to our country. Suppose you should succeed in the attempt to show that colonies may be planted without any of the disasters which have hitherto attended their infant state. The mere thought of such an event, of the effects which it would have on the condition of those who suffer from want of room here, and of the changes that it could not but produce on the face of the world; the mere contemplation of what must follow upon practical proof, that a young colony may be made as prosperous as an old one, inflames generous hopes, which would be blasted for a time, if you should only appear to fail in the experiment committed to your hands. Our trust is, that the experiment, when fairly tried, will succeed. Therefore, I venture to say, let it be tried fairly, or not at all for the present; rather let there be no colony at all for the present, than one which does not fairly try the experiment of a hired-labour price for land. What people here may be willing to pay for land, has no sort of relation to what is the sufficient price for securing hired labour. Will you allow your decision to be influenced by that which has no relation to it, and which therefore would probably mislead you? Common sense requires that whatever is foreign to the matter in hand, should be excluded from it.

But secondly, though the price which may please people here, have nothing to do with the proper price, still a conviction here that the proper price has been fixed, may perhaps be the only means by which people here will be induced to give the proper price. If an opinion prevail that the price fixed will not secure hired labour, people will naturally say, why require any price? Any price that does not secure hired labour, is too much by its whole amount. If ignorant prejudices are to be consulted, the minimum named in the Act is a great deal too high. Those who do not see the object of a price, will exclaim against 12*s*. as being absurdly extravagant; while those who do see the object of a price, will, supposing them to be

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be of that opinion, declare 12 *s.* to be absurdly low. You cannot have a less price then 12*s.*; that is, you cannot please those who do not see the object of a price; but you may do what you like to please those who think 12*s.* too low a price. Which class is it desirable that you should please? If people who do not see the object of a price, buy land at all, it will be on account of some vague notion, that you would not hold out to them a bad speculation; they will be moved by nothing but faith in you. But you, surely, must wish that no buyer should be actuated by such a motive alone. You must wish then, that no one should buy land who does not see the object of a price. It follows that your only resource for obtaining, with comfort to yourselves, the indispensable 35,000 *l.*, is those who do see the object of a price. These will not buy land unless they believe, or unless you declare to them your belief, that you have fixed on a hired-labour price. The undeniable conclusion is, that the most certain way in which to have a colony, is by your fixing on a price which you can state to be, to the best of your judgment, sufficient for securing hired labour. The easiest way to have a colony, is to try for one which shall be perfectly consistent with the Act.

As courage and wisdom are rather uncommon, so, in cases of difficulty, the ordinary course is to take a middle way, of which the general result is illustrated by the proverb, "*Entre deux chaises par terre.*" Several such middle ways are open to you.

You may fix what you consider an insufficient price as the minimum, and then try to get more by means of competition. Nay, by means of auction, you may get for some land a great deal more than the minimum. Let us suppose that the minimum were 12 *s.*, and the average 20 *l.*; still as every labourer would be able to obtain land for the minimum, the same evils would occur as if the minimum were also the maximum. It is a mere delusion, to suppose that the average price will be of any weight in securing hired labour; for that object the lowest price is all in all. I may remark, however, by the way, that, though auction be utterly useless with a view to the sole object of a price, the adoption of it would amount to a declaration on your part, that you had fixed on a price which you considered insufficient for that object. In a price *per se*, there is no sort of advantage, but the contrary. As the one object of a price is to secure hired labour, so any higher price than what wa sufficient for that purpose, would be most improper. If, therefore, you had fixed on what you considered a sufficient price, you would never seek to obtain more. It follows that, by adopting auction, you would declare your opinion to be, that the minimum was insufficient. Since it is the lowest price alone, which can secure hired labour, you would declare your opinion to be, that hired labour was not likely to be secured.

The other middle way that offers a tempting appearance, is the fixing on a price avowedly insufficient, and declaring that a higher price will be adopted by and by. This path might be rendered very smooth and pleasant for a time, by declaring further that you were anxious to be guided by experience. You would be praised by many as prudent and circumspect men, highly fit to be trusted. But now let us suppose that you do actually take this course, fixing on an insufficient price, declaring that you think it insufficient, and that a higher price will be adopted according to the dictates of experience. What happens? In the first place, those who understand the object of a price will have nothing to do with you; those only will buy land who are moved by faith in you. Nay, these perhaps, being warned by the others (for when your regulations come out there will be much discussion on this subject) may be frightened on the one hand at the greatness, and on the other at the smallness of the price named, and may not choose to buy land at all. But, secondly, what is far more important, an insufficient price, if it last only six months, will ruin the colony. It is this consideration which would have deterred from buying those who see the object of a price. We are supposing that the price required at first is really insufficient, though only for a time. But a very short time is sufficient for the ruin of a colony. At the Swan River (where the body of first settlers was unusually large and rich), all the mischief was done in less than six months. In the infancy of a colony, a false step cannot be retraced. Only let the labourers taken out obtain land before others have arrived to fill their place, and then away goes the greater part of the capital which has been taken out. By then, it is too late for precautions which, if adopted from the beginning, would have kept all in order; so that, in the case supposed, the experience to which you would trust would be experience of nothing but disaster; for though, certainly, you would have proved that some price was insufficient, still your knowledge could not then be turned to any useful account. A sufficient price is even more necessary during the first year than afterwards. The time when the labouring emigrant's longing for land is strongest, is when he first sees the new country, and before he has formed ties which make him unwilling to live alone. The time when the capitalist stands in greatest need of hired labour, is before he has got a house over his head. If during the first year the greater part of the capital perishes, which it must do without labour for hire, then, in the second year, those who went out as labourers, having experienced the miseries of isolation in an unknown wilderness, want employment but cannot find it, and are bent on leaving the colony. This happened in the first and the last colony planted by Englishmen--in Virginia and Western Australia,—and could not but happen in another colony where the capital taken out was allowed to perish for want of labourers to use it. It appears, therefore, that the plan of trusting to mere experience, after all the fatal experience that we have had in colonization, is one of the worst that could be adopted, however smooth and pleasant just at first to those founders of the colony who should stay at home. The ultimate price for land might, indeed, be safely left to experience, provided you should begin with a price unquestionably too high, but not otherwise.

And

And this consideration shows that there is less danger in beginning with too high a price than with too low a one. A gentleman, who has had much experience of colonies, and who is known, by reputation at least, to some of you, has said: "The only rock upon which that South Australian colony can split, is too low a first price for land." This opinion will be echoed by the public whenever this subject shall be generally understood.

In whatever light, then, this question is viewed, it appears that you are bound to adopt from the outset that price which you may consider sufficient.

Do I pretend to know what that price is? Certainly not. On the contrary, I acknowledge the impossibility of ascertaining beforehand what the price ought to be; but there are means of arriving at a probable price; at that price which, all things considered, would seem to be best. It often happens in the world, and nearly always when great actions are performed, that some risk must be incurred. Probability is next to certainty; and when certainty is out of the case, probability is sufficient to justify what may be done. This is one of those numerous cases in which what seems best is best. I have already mentioned the considerations by which, carefully excluding all that were foreign to the question for fear of being misled by them, I should be guided in making a decision as to the probable best price.

Why, then, it may be asked, do I not name a price? I answer, because that is not my business. But the answer requires some explanation.

However deeply impressed with the necessity of a sufficient price from the very beginning, I am well convinced also that this alone will not secure the prosperity of the colony. Though there must be calamity without a sufficient price, yet something more than a sufficient price is requisite to guard against calamity. Suppose the price of land sufficient, and that the government of this colony, being wholly irresponsible to the colonists, should maltreat the common people, like most colonial governments which have emanated from Downing-street, and should so drive the labouring emigrants to Van Diemen's Land; suppose that the Government should make laws to forbid, which would be the surest way to promote, the emigration of labourers to Van Diemen's Land; in either case the colony would be ruined, and its ruin would be falsely attributed to the price required for land. Suppose, again, that no sufficient precautions were taken to secure in the first instance a due proportion between capital and labourers; that labourers being in excess, should not be able to obtain employment; in that case, also, the colony would be ruined, and its ruin would be falsely attributed to the price required for land. These are some out of many ways in which the colony might be ruined, notwithstanding a sufficient price for land. Moreover, though you should begin by fixing on a sufficient price for land, yet, if you should proceed to sell land before a body of intending settlers had been collected, if you should trust for selling the indispensable quantity of land, and raising the other indispensable sum for government expenses, to what is called the money-market; in that case, it appears to me highly probable, the indispensable money would not be raised; and, if so, not the ruin of the colony, but the circumstance of your not being able to found a colony, would be falsely attributed to the price required for land. This is one way out of many, in which the project for founding a colony in South Australia might be defeated, notwithstanding a sufficient price for land. Other precautions, in short, besides a sufficient price for land, are requisite to your success. As the Colonial Minister will not, for the present, at least, consider this colony worth meddling with, those precautions which, in point of form, must be taken by him, will probably depend upon you, while the others will be exactly such as you please. It is not, therefore, my business, who have no sort of power or responsibility, to name a price for land; it is your business, who have power to take all the precautions which are fitted to a sufficient price for securing hired labour, and without which that price can be of no avail. If I were to name a price, and it should be adopted by you, I should be responsible for failure, without having any power to insure success. This is why I have declined to name any price, though there be one which I would adopt if I possessed your control over all the other conditions of success.

Concluding, however, that you will adopt what you consider a hired-labour price for land, I am anxious to mention what have occurred to me, as some other conditions on which it must depend, whether you found a colony at all, and whether the colony that you may found be prosperous or miserable.

These are:—

1st. That the price named should be the only price, whatever the quantity, quality or situation of the land sold, or whoever the buyer.

The word "auction" appears in the Act, but was inserted there purposely, as some of you will remember, and as clearly appears by the context, in such a way as to leave the question for your decision. There are many serious objections to auction; but the main ones are, first, that by taking advantage of competition, after fixing a sufficient lowest price, you would in some cases obtain more than the sufficient price, which you ought not to do; and, secondly, that by doing so you would appear to think that the lowest price fixed was not sufficient for securing hired labour, which would greatly damage the whole measure in the esteem of those who see the object of a price. The only reason that I have heard in favour of auction is, that you would thereby enable a land buyer to obtain the piece of land which

E. G. Wakefield to Colonization Commissioners, 2 June 1835.

which he wanted for some particular object; and this reason would deserve some weight if you could do what is proposed, without hindering some *other* land buyer from obtaining the piece of land which *he* wanted for some particular object. Your concern with the price of land in this colony is with the hired-labour price alone. What may be the competition price, or who shall obtain this or that piece of land by paying most for it, is a matter, as it strikes me, out of your jurisdiction.

2d. That your regulations for the sale of land and the emigration of labourers should be clearly explained to the public.

In a set of proposed regulations which I have seen, there are provisions, some of which even I, who have paid so much attention to the subject, could not readily understand; while others appear to me to have no object. Superfluous provisions might not hurtfully encumber a subject with which the public was familiar, but in this case they would be very mischievous. With simple regulations, and with a full explanation of the object of each provision, the subject will, I feel confident, soon become familiar to the public. Such an explanation is requisite, because the subject is new. At present, most people, looking at naked regulations, would ask the object of this or that provision; but if all such questions were anticipated by the commission, every one would have a fair opportunity of judging for himself. People will be ready enough to inquire as soon as, by the issue of your regulations and other steps, the project shall become a reality.

3d. That a day should be named for the sale of land in England and the issue of colonial revenue bonds, allowing time for the measures of preparation hereafter noticed.

By fixing a time when you intended to act on your regulations, you would give some reality to the project for founding this colony. At present, it is considered a mere project; naturally enough, bearing in mind the many occasions on which it has appeared to be defeated. With a view to showing that, this time, the managers of the undertaking are really in earnest, it is also most desirable that the month should be named, when it is intended that, if all can be got ready so soon, the first expedition shall sail. Such an intimation might stop and attract to you many a person who is now preparing to settle in Canada or the United States. The general advantage of it would be, in the shape of conditional certainty, some make-weight against the uncertainty that has been produced by a long series of lame and hesitating steps.

4th. That for raising the indispensable fund, dependence should be placed, not at all on the stock-exchange or any other money-market, but wholly on a body of colonists.

The clause in the Act, which insists that a certain sum shall be raised for government and the emigration of labourers, before the departure of the colony, has always appeared to me to be an excellent provision. A colony which could not buy land to the amount of 35,000 *l.*, and advance 65,000 *l.* more on a security, which all who intend to emigrate must consider good, and with interest at the rate of eight per cent.; so beggarly a colony as that ought not to be allowed to depart, for by reason of its original poverty it would go to certain destruction. The chairman of the South Australian Association was well aware of the danger of letting a colony depart, which should be too poor to provide the indispensable fund required by the Act; and when he has put questions to me on this subject, I have invariably answered, that if it were possible, it would certainly be desirable to prevent all but colonists from buying land and taking revenue bonds. Besides a due proportion between land and labourers, you want a due proportion between labourers and capital. Now, if the labourers be furnished by persons who remain in England, what security is there that they will bear any just proportion to the capital taken out? By-and-by, the sales of land in the colony will probably be a measure of the demand for labour; and in that case, the mode in which the purchase-money is employed will probably suit the supply to the demand. To some extent, a similar measure would have been used if none but colonists had been allowed to buy land. As it is, after contracts entered into here between masters and servants, the best indication that the body of capitalists going out are sufficiently wealthy to employ the body of labourers taken out, will be found in their being the chief purchasers of land, and of revenue bonds. This would show, too, without regard to the proportion between labourers and capital, that the capitalists were sufficiently wealthy to plant a colony. A colony could not be planted, even with a price for land absolutely perfect, by mere officers of government and needy adventurers. Of the latter class, who are generally moved by a delusive hope that mere change of scene will produce change of circumstances, the fewer the better. There is, I believe, at this moment, only one man of considerable property bent on emigrating, provided he shall be satisfied with the first arrangements. If you should proceed to sell land, and dispose of revenue bonds to-morrow, I doubt whether you would receive as much as 1,000 *l.* from persons who intend to emigrate. In 1832, the body of intending settlers offered to advance 100,000 *l.* as the purchase-money of land. Since then, one or two bodies have been collected, who might, perhaps, have been able to pay 100,000 *l.* for land; but they have been dispersed one after the other, by the cruel delays of the government; and at this time "the body of colonists" is merely nominal. The first step, then, in a course by which your position may be made always safe and comfortable, is to collect another body of colonists. How is this to be done?

ıe ? They will collect themselves, without the least trouble to you, provided you take
v measures which must be taken sooner or later. What those measures are will appear
the following statement.

[happen to know some families who think of emigrating, and if they do emigrate they
l be buyers of land and of revenue bonds. They understand the subject, have been used
employ servants, and will not emigrate unless the price for land be, in their opinion,
culated to secure hired labour. Until they shall have resolved to emigrate, they will
: even tell their nearest connexions that they think of doing so; much less will they
ist themselves amongst those who are now called "the body of colonists." They
l not resolve to emigrate until they see many provisions for success besides the mere
ıe of your regulations. They want to know who is to be the governor of the colony;
o the other chief officers; and what fundamental laws will be made by the King in
uncil (which means some irresponsible gentleman in the Colonial-office). They are
aid that the governor may be one who neither understands the principles of the under-
ıing nor takes a warm interest in its success. They fancy that the fundamental laws of
: colony may resemble those of other Crown colonies, which it is needless to describe.
a word, having the means to live at home, and habits of prudence, they will not commit
ımselves without knowing to what. There may be many such families waiting for
ormation, without which, or a place, no man would make up his mind to emigrate. It is
t easy to find out such families, because, in order to avoid the persuasion of friends,
ey do not speak of their intention to emigrate until they can speak positively, when
is too late for persuasion. But such families would come forth as soon as they
re enabled to make up their minds to a final decision. In order that prudent
ople should be able to decide on emigrating, your regulations must be promulgated;
: time for the departure of the colony must be conditionally fixed; the fundamental
ws which are to exist, if not officially promulgated (which the Act perhaps forbids),
ıst be made known in some way (and there are half-a-dozen ways of doing this with
ıpriety); the governor, and other chief officers must be known (though their names
ınot appear in the Gazette at present); and then, if the regulations be satisfactory, the
ended organic laws good, and the intended officers agreeable to those who might come
o contact with them, there will soon be, as I firmly believe, a body of colonists such
would enable you to proceed with little trouble and scarce any anxiety. Whatever
ıuble these measures of preparation may cost, must be taken, if the colony go on. If
be not taken at the right time, that is, before you proceed to sell land, I greatly doubt
ether you will raise the indispensable fund; and very sincerely hope that you may not.
r, if a beggarly colony be allowed to depart, destruction to those people, and disgrace to
u, must be the result; and if ever so rich a colony should depart, even with a sufficient
ce for land, but with bad laws, or no laws, and bad leaders, the expedition will be a mere
amble, like that to the Swan River, ruinous to those who go, and shameful to all the
rties concerned in sending them away.

I have, &c.

To the Colonization Commissioners
for South Australia.

(signed) *E. G. Wakefield.*

P.S.—Writing in great haste, I have omitted one reason why persons here should prefer
ufficient to an insufficient price for land; it is that so much less land would be sold with
: higher price, that the competition value of the whole quantity sold might not only
ıal but exceed the competition value of the larger quantity sold at the lower price.
ith a hired-labour price, the greater part of what is sold to raise the indispensable 35,000 *l.*
y be either in or so near to the town as to possess immediately a much higher value
ın the original price. This consideration would seem to point out that there is no neces-
y for giving to the first buyers any other advantage than that of first choice. A bounty
the first buyers, whether necessary or not, will surely excite afterwards much jealousy,
d, however unjustly, some suspicion of favouritism or jobbing; not to mention that the
er of one seems calculated to lower rather than to raise the speculation in public esteem.
any one gain by buying land in this colony, the first buyers will gain more and sooner
ın anybody, without a bounty; if the speculation be not good for them without a bounty,
s not good for them with one. With a hired-labour price for land, so that the whole of
: indispensable quantity should possess competition value over the original price, and
thout auction, so that the original buyer should have all the advantage of competition
ue, there is no sort of necessity, nor even a plausible reason, as it strikes me, for giving
ıounty to any one.

Captain Dawson's Report on Surveying.

REPORT ON SURVEYING;

Considered with reference to *New Zealand*, and applicable to the Colonies generally.

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PLATE 1.—Map of the District of Adelaide, with divisions into sections according to the system of Survey herein proposed.

PLATE 2.—Map of the District of Adelaide, with divisions into sections as they are actually set out.

TO THE RIGHT HONOURABLE THE LORD JOHN RUSSELL,
&c. &c. &c.

My Lord,

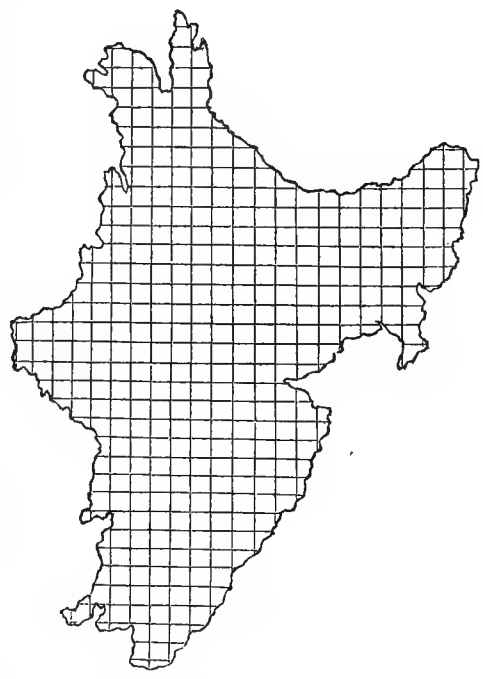
IN obedience to the instructions contained in Mr. Vernon Smith's letter of the 12th ultimo, that I should furnish you with a report, on the most economical mode of effecting a survey in New Zealand, with general correctness but without minute accuracy; and the probable expense of such survey per square mile; I have the honour now to report, that the system of survey which appears to me best calculated to meet your Lordship's views, is that which provides for the division of the surface of the country into sections, of a stated size, at the least possible cost, and by the measurement of the fewest possible lines.

To meet this object, I would propose the adoption, for the sections, of the simplest mathematical figure that is applicable to the purpose; and the measurement on the ground of the lines of that figure only.

The square or rectangle is admitted to be the figure best suited to the sub-division of lands. It is almost invariably resorted to in this country in setting out new enclosures, and has been adopted, for location, in the Canadas and United States of America, and in the colonies of South Australia and Sydney.

I would recommend, therefore, its adoption generally for the sections in the survey of New Zealand, subject to certain regulations and limitations, as to the proportionate length of its sides, which shall presently be considered.

Assuming, then, the rectangle to be the figure determined on for the sections, and the whole country to be laid out, by measurements on the ground, in sections of that form, as shown in the annexed diagram, a map might be constructed by the projection of those measurements on paper, and it would be impossible to suggest any system of survey more simple and more economical than the result so obtained.



In speaking of this as a survey of the country, it is of course to be understood as a skeleton survey only, and differing from a full and perfect survey, in not giving the full and entire course of rivers, and other natural lines and features of the country, which intersect and traverse the squares.

Regarding it in the abstract, independently of the natural lines of the country to which I have adverted, the skeleton survey, as herein proposed, differs from a true survey and projection, in so far as it assumes the component figures to be all true rectangles, when, in reality, either from casual and excusable errors in the measurement of the lines, or from want of minute accuracy in reducing distances measured over inclined surfaces, to the horizontal plane, it may be found that distortion has taken place in the measurements, though it is not shown upon the map.

The effect of any probable distortion of this kind that might arise, may however be regarded as unimportant, if a moderate degree of care and experience be brought to bear on the measurements. And having once established the angular points of the sections upon the ground, their true position, and the actual figure of the sections they define, may at any future

future time be determined by a trigonometrical survey of the country, with any degree of accuracy that ulterior objects may require.

Captain Dawson's Report on Surveying.

A trigonometrical survey may either precede or follow the location or running survey. In my opinion it should follow.

The system of survey I have suggested, provides for the actual setting out upon the ground the limits of the sections for which a title is claimed; and any probable error which could arise in setting out those limits, if moderate care only were taken, would affect only in a trifling degree the contained quantities of land, and might be amply compensated to the settler by a per-centage allowance on the sections, making them so much larger than the quantity guaranteed in the sale. This appears to me to be a simpler and better method of meeting the evil which might arise from such accidental causes, than that which would be afforded by any attempt at a strictly accurate survey.

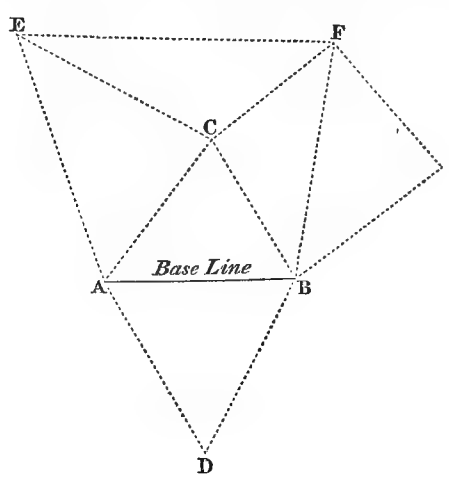
A per-centage allowance involves a present sacrifice of land. A trigonometrical survey calls for a heavy outlay of money; and it appears to me there can be no difficulty in choosing the alternative for an infant colony.

With regard to a strictly accurate survey, I would beg to remark, that it is extremely difficult in any country, and actually impossible in a new and tangled country, such as New Zealand, to construct a map with the degree of accuracy which should constitute it a just record, and conclusive evidence of the boundaries of property. It would be difficult also to estimate the actual cost of a full and complete trigonometrical survey of the country, as that must depend on the degree of accuracy which is expected to be attained by it, and on other circumstances of a local nature, concerning which little or no information can yet be afforded, to form the basis of a just calculation.

An idea of the increased expense may however be formed by a glance at the principal operations of a trigonometrical survey, which are as follows; viz.

Review of the Trigonometrical Operation.

In the first place, a base line of considerable length (say five or six miles) is measured on the ground with extreme accuracy, by means of a costly apparatus*; and a reduction to the horizontal plane is made, of the portions of the measurement which pass over inclined surfaces. From either end of the base line, so measured, observations are made with delicate and expensive instruments†, of the angles subtended by the opposite end of the base and objects erected on conspicuous points to the right and left of the base line; each of these points, in combination with the extreme points of the base line, forming a triangle, the sides of which are afterwards to be calculated trigonometrically, by means of the observed angles and the base line as a given side. Thus the relative positions of several points, such as C, D, &c. are determined, and may be projected on paper. Then, by removing the observatory to the points C, D, &c., in succession, and taking the direction of other objects relatively to the former ones, fresh points are determined in position; and so on until the whole district is triangulated.



The next operation consists in actually measuring upon the ground the lines which connect these several points with one another, and noting where the measured lines intersect rivers, streams, and other natural lines of the country; care being taken in the measurements, to make the proper allowance for the inclination of the ground, otherwise the lines measured on the surface, in hilly districts, would be found longer than the horizontal distances between the extreme points, as determined by the trigonometrical calculations.

Having measured the lines between the trigonometrical points, and carefully noted the intersections by those lines of rivers, streams, &c., the next and last step is to survey the lines of coast, rivers, streams, &c., in order to connect the isolated points of intersection before mentioned.

A trigonometrical survey is thus obtained of the natural lines of the country, with the addition also of points showing the position of the objects erected as stations; but these are not the lines and points required for the purpose of location, and as yet not a single section has been set out.

The difficulties to be encountered in the progress of the trigonometrical survey may thus be briefly enumerated:—

1st. The clearing and levelling the ground for the measurement of the base line.

2dly. The accurate measurement of the base line, and its reduction to the horizontal plane.

3dly. An

* The apparatus with which Colonel Colby's base line in Ireland was measured cost 1,000*l.*

† The great theodolite used in the Ordnance Survey of England cost 500 *l.*

Captain Dawson's Report on Surveying.

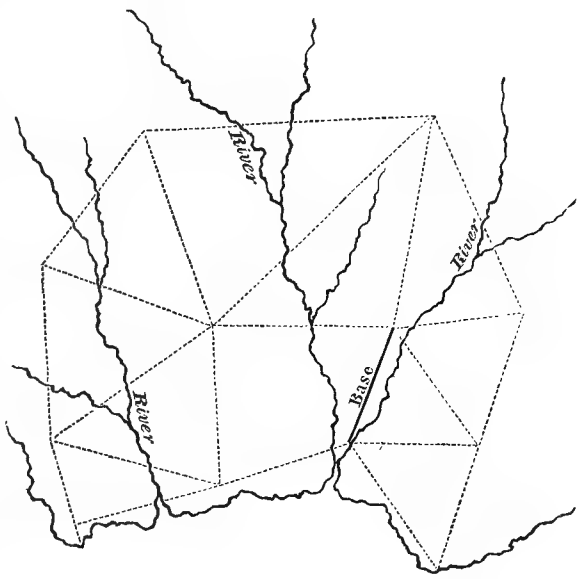
3dly. An exploration of the country for the purpose of selecting stations, the position of which is to be determined trigonometrically; and the erection of proper beacons at those stations.

4thly. The observation of the angles at all the angular points, and the calculation of the sides of the triangles.

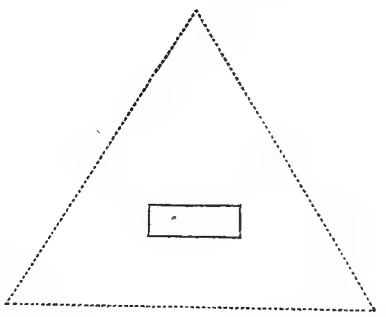
5thly. The cutting out lines of sight, and measuring from station to station, including the reduction of the lines to the horizontal plane.

6thly. Traverse measurements along the coast line, rivers, streams, and other natural lines of the country; and connecting the traverses with the trigonometrical points*.

The results obtained by the trigonometrical survey, as before described, are shown in the annexed diagram, by which it appears that, although much has been done for the connexion of isolated surveys of detached parts of the country, and for laying them down truly in position, as component parts of a general map; the points and lines determined by the trigonometrical survey, at this stage of its progress, are not those which are required for the immediate purpose of location.



If, for instance, it were required to convey a section on the banks of one of the rivers shown in the above sketch, it would still be requisite to trace and measure the lines of the section upon the ground, as in the running survey; and if the chosen section were in the middle of one of the triangles, where no lines have yet been measured, the trigonometrical operation would be altogether unavailable for determining its position, unless posts were erected at all the angular points of the section, to be fixed by observations from the angular points of the triangle.



But, in order to put up posts at the angular points of the intended section, it is essential that the position of those points should first be determined on the ground; and the determination of those points on the the ground, is the proper business of the running survey.

Thus it is shown that, while the running survey is indispensable, the trigonometrical operation, in connexion with it, and applicable to the immediate purpose of location, is useful only in determining the position and contents of the sections with greater, that is to say, with mathematical precision.

If, therefore, by means of the running survey alone, sections may be set out with such accuracy as to secure the purchaser from loss, or, in other words, to assure to him the possession of, and clear title to, the full quantity of land he has paid for, it will be evident that the trigonometrical operation may, at least, be deferred until ulterior objects call for it, and the colony is better able to pay for it.

It appears to me that this object may be fully attained by the system of survey I am about to describe; and the ulterior objects for which the trigonometrical survey may be required shall afterwards be considered.

Description of the Running Survey.

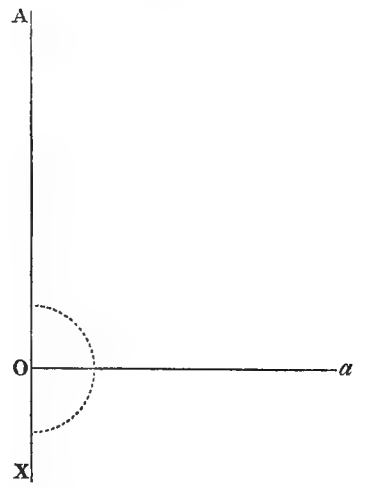
As a preliminary measure to the running survey, I would suggest that the Surveyor-general, or some other competent person, should carefully explore and examine the country around the principal town, to the extent considered available and most desirable for immediate settlement†.

This

* See Mudge's Account of the Trigonometrical Survey of Great Britain. See also, an excellent Treatise on Surveying and Practical Astronomy, by Lieutenant Frome, Royal Engineers, the present surveyor-general of South Australia, which gives a more concise but ample account of all the practical details of a scientific survey.

† The town district itself must be specially dealt with according to the judgment of the surveyor-general. In the absence of local information, it would be impossible to give any detailed directions for his guidance.

This being done, I would select, in the district first to be laid out, a point (O) within a convenient distance of the town, having regard to the following considerations only, viz.: that two lines measured from it, one in the direction of the meridian, O A; the other at right angles with it, O *a*, should traverse the most open, level, and accessible ground.



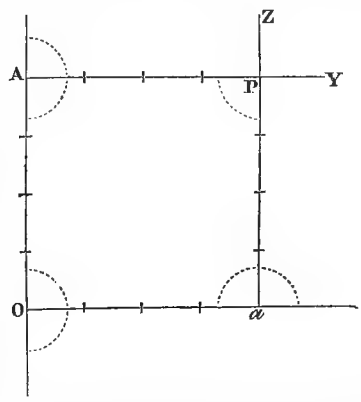
The direction of the meridian should then be determined by means of a theodolite set up at the station O, and contractors or labourers should be employed to clear the line for the surveyors, about three or four feet in width, by cutting brushwood, &c.

This work should be carried on under the immediate superintendence of the surveyor, who, as the clearing proceeds, should cause white staves to be set up at convenient distances, ranging them accurately by means of his theodolite at O.

The line should be cleared also and set out, in a similar manner, for a short distance (say half a mile) in the opposite direction, towards X; and when this has been done, the surveyor should, with the theodolite, set off the direction of the line O *a*, at right angles with the first line, which, by observing the angles on either side of O *a*, he will be enabled to do with great accuracy. Other contractors should then be employed to clear the line in the direction of O *a*.

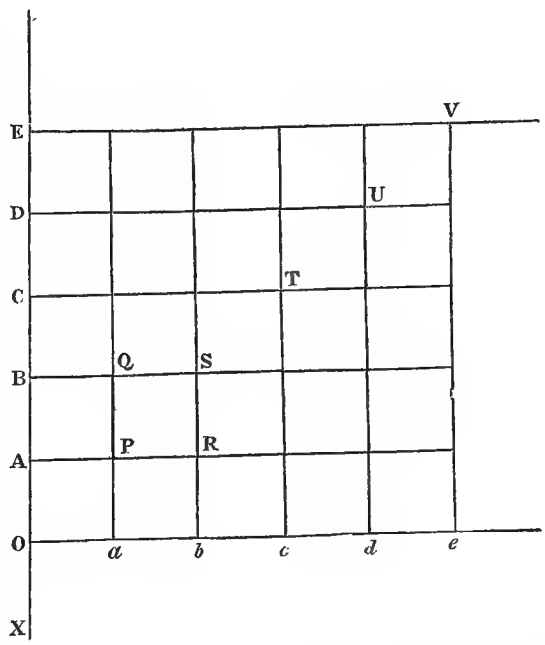
Two parties of surveyors should be employed, the first party measuring the line O A, the second party the line O *a*; and the measurements along these two first lines should be twice made (or out and back), as much will hereafter be found to depend on their accuracy.

In measuring these lines, strong pickets should be driven into the ground, at intervals of 20 chains, or a quarter of a mile; and, when the first party arrive at the point A (one mile from O), the surveyor should set up his theodolite over the picket, and range another line, A Y, at right angles with O A. The second party, also, having arrived at *a* (one mile from O), the surveyor of that party will set up his theodolite over the picket, and range another line, *a* Z, at right angles with O *a*.



The two parties should then proceed to measure, as before, the lines A Y and *a* Z; and, if the direction of those lines has been properly set out and preserved in the measurements, their intersection at P will be one mile distant from either of the points A and *a*, subject of course to errors in the length of the lines O A and O *a*, which it was the object of the repeated measurement to prevent.

As a proof of the direction of the lines, the angle at P should be measured with the theodolite, to see that it be a right angle. And should the measured distances then be found to fall short of or extend beyond the point P, it is evident that the error must have arisen in the measurements, either from oversight or the want of proper allowance for the undulations of the ground; and, having rechained the distances P A and P *a*, to discover the error and rectify the position of the intermediate pickets, the first party should carry on the measurement of the line O A for another mile to B, and at B set off another line, B Q, at right angles, measuring along it also for mile; and then, prolonging the line *a* P, its prolongation should reach the point Q, at one mile from P, any requisite correction of the measurements being made as before.

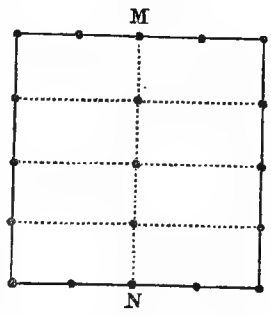


The second party will, at the same time, prolong O *a* to *b*, setting off and measuring *b* R, and prolonging A P to R, making also any requisite correction of the intermediate pickets. The first party should afterwards prolong the line B Q to S, the second party

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party also prolonging *b* R to S; and at this point, S, the two parties will again check one another.

The same course should be pursued by the two parties with the remaining squares of the figure; the first party proceeding northward, the second party eastward, and checking each other again at the points T, U, V, &c.



The squares which have now been described admeasure 640 acres, or a square mile each; but pickets have been driven, as the measurements proceeded, at every quarter of a mile; and by connecting these pickets, as shown by the dotted lines in the annexed sketch, each square mile will be divided into eight sections, containing 80 acres of land each*. It will be seen, however, by the diagram, that three internal points are still wanting for the perfect definition of the eight sections upon the ground, and that these can be supplied only by the measurement of the central line M N. I would recommend, therefore, that the line M N, in each square, should be measured.

This form and size of section have been adopted in South Australia. The form, in the proportions here assigned to it, may be considered unobjectionable; for while it approaches sufficiently near to the square or most perfect form, to prevent any part of a farm or section being inconveniently remote from its homestead, it possesses other and important advantages in its adaptation to local circumstances, whereby the benefits derivable from frontage on roads, rivers, &c., and the several varieties of land may be more generally shared.

The proper size for the sections must depend on the value of the ground and the means of the settler. Where the land is rich in quality, a general participation in its riches will be desired, and the sections must necessarily be more limited in extent: but where, on the contrary, the land is poor, and affords only a scanty pasturage, it must be comparatively worthless to the settler, unless he possesses it in considerable quantities; and the necessity for such minute subdivision then no longer exists.

Looking to the returns supplied by the South Australian Commissioners, and ordered by the House of Commons to be printed on the 10th of April 1840, it appears that out of 603 sales (exclusive of special surveys), amounting to 110,971 acres, 421 (or more than two-thirds of the whole) were of sections of the smallest size admitted by the regulations; and though the total quantity of land sold, if distributed in equal portions among the 603 purchasers, would give an average quantity of 184 acres to each, it is evident that the average means of the purchasers would not be met by allotments larger than those of 80 acres each.

As a per centage allowance on account of public roads, two per cent., which rather exceeds the proportion that the roads in this country bear to the lands at large, should be considered ample. And as a further allowance on account of casual errors which may occur in the measurements, I am inclined to think that two per cent. on the acreage should be a sufficient, and three per cent. a liberal allowance. Taking the two together at five per cent. on the acreage, this allowance may be conferred, either by reducing the purchase-money of a section to the price of 76 acres, and thus preserving the uniform length of a mile for the sides of the square eight-section blocks (which, in my opinion, would be the preferable method), or by keeping the purchase-money at the full price of the 80 acres, and increasing the size of the sections, by an addition of two and a half per cent. to the linear measurements, the sides of the sections in the latter case being 41 and 20 ½ chains respectively, instead of 40 and 20.

The running survey I have proposed differs from the American system of survey:—

1st. In fixing the direction of the lines accurately, by means of the divided limb of the theodolite†, and reading the angle on both sides the line, instead of trusting entirely to the compass.

2dly. In more accurately setting out and preserving the direction of the lines, by means of staves, &c.

3dly. In the proofs of accuracy afforded at the completion of every square mile.

In point of accuracy the running survey is, in fact, inferior only to a survey founded on a basis of triangulation.

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* The pickets must have permanent marks put upon them by which to be registered and referred to in the conveyance of sections.

† The small theodolites, made by Troughton and Simms for the ordnance survey of Ireland, are of five inches diameter, and cost 20 *l.* each. Those, made by the same parties, for Colonel Everest's survey in India, are of four inches diameter, and also cost 20 *l.* each. The construction of these instruments is very perfect; but they appear to me much too delicate for the service contemplated above.

What I should recommend in preference would be a good four-inch theodolite, with double plates, made as plain and strong as possible, and with adjustments all of the simplest kind. Any ordinary repairs might then be performed by a tolerably expert watchmaker. The working screws of the theodolites should all be supplied in duplicate, together with a turnscrew, pliers, &c.; and the theodolites should all be made exactly to the same pattern throughout, so that the several parts of any one might apply equally well to the others. The surveyor might then readily himself replace any casual fracture. Such an instrument, with the duplicate screws, &c., could be supplied by Messrs. Troughton & Simms for 20 *l.*, and with proper care should last at least 20 years. But if the cost were included wholly in the expenditure of the first year, it would, upon the average quantity of work produced by an assistant surveyor, add but half a farthing per acre to the expense of the survey.

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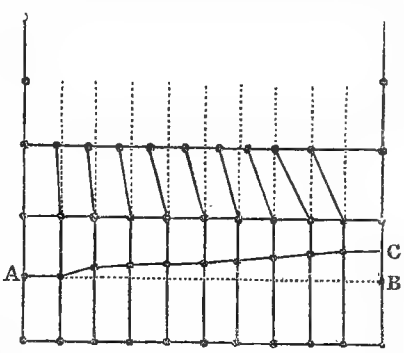
Remarks on the American System of Survey.

The American surveys depend entirely on the compass. In laying out a township, the surveyor first measures the external lines of the figure, which are generally about 10 miles in each direction, and then runs the intermediate or "range" lines.

It is easy, therefore, to see how, under such circumstances, either negligence, or carelessness, or incapacity on the part of the surveyor would be productive of all the errors which have been charged against the American surveys.

If, for instance, he neglected to measure the range lines on the ground, and contented himself with only drawing them upon paper, the settler might chance to find a lake occupying the ground allotted to him on the surveyor's map.

Or, if the lines were measured carelessly or by incompetent persons, disturbing causes acting upon the needle, or other circumstances, might cause a deviation of the range line, A B, from its true direction, as shown in the annexed sketch, to that of A C. The surveyor would not, however, be aware of his error until he arrived at C, and as it could then only be rectified by remeasuring the line, it is more than probable that, as carelessness or incapacity had led to its commission, either indifference or indolence would lead him to pass it by rather than turn to remedy it at such a cost. Still he might endeavour to conceal the error from his employers, by drawing the line in the position which it ought to fill upon his map; but the location pickets would remain on the erroneous line upon the ground, and the consequences would be as here shown in the sketch, and as described in the evidence given before the Assistant Commissioners of Crown Lands, and printed in Appendix (B.) to Lord Durham's Report on British North America, pp. 54. 58. 77. 79.



The following account of the American system of survey is taken from the Penny Magazine for August 1840, under the head—

"*Difficulties of Surveying and Allotting in North America.*"

[From a Correspondent.]

"Having planted his compass at the commencement of the line he intends to run, and having arranged the sights to the proposed course or particular degree, when the underwood is not thick, it frequently happens that a tolerably clear way may be seen among the trees to the distance of 10 or 20 chains, until some stout tree appears to stand upon the exact line that has to be run, and interrupts the view. This tree the surveyor particularly notices, for he calls it a sight-tree; and having slung his compass under his arm, pulled up his compass-staff, and called out "chain" (as a signal for the chain-men to commence measuring), he sets off a-head of the chain-men, taking the axe-man along with him, who here and there cuts down small saplings that seem in the way of the chain-men, which serves also to mark the line; and having reached the sight-tree, on which he has kept his eye the whole way, he goes to the front side of it, and there re-sets his compass, during which the axe-man is engaged in marking the tree in a particular manner (three, four, or five notches, both in front and ear); while the surrounding trees, particularly the young ones, are scored with a similar number of notches on the side of each, looking inwards, or towards the sight-tree. The trees thus marked are called witnesses, and the object in marking them in this manner is, that in case of the sight-tree being cut or blown down hereafter, its place may be nearly ascertained by the position of the witnesses. When the chain-men have measured up to the tree in question, the distance, as well as the sort of tree, is noted in the surveyor's field-book. By this time a new object has been taken, and forward goes the surveyor and the axe-man again."

General Observations.

It cannot be expected that the system of survey, herein suggested, should be carried out, in all its simplicity, over the entire country. Disturbing causes will arise to break its continuity in some cases, and to vary the direction of the lines in others. And, even though it should be practicable, it might not be expedient to adhere rigidly to the system of cardinal lines and parallels hitherto proposed.

I shall proceed, therefore, to consider the probable causes of disturbance which may arise, and the means by which they may be best met and provided for:—

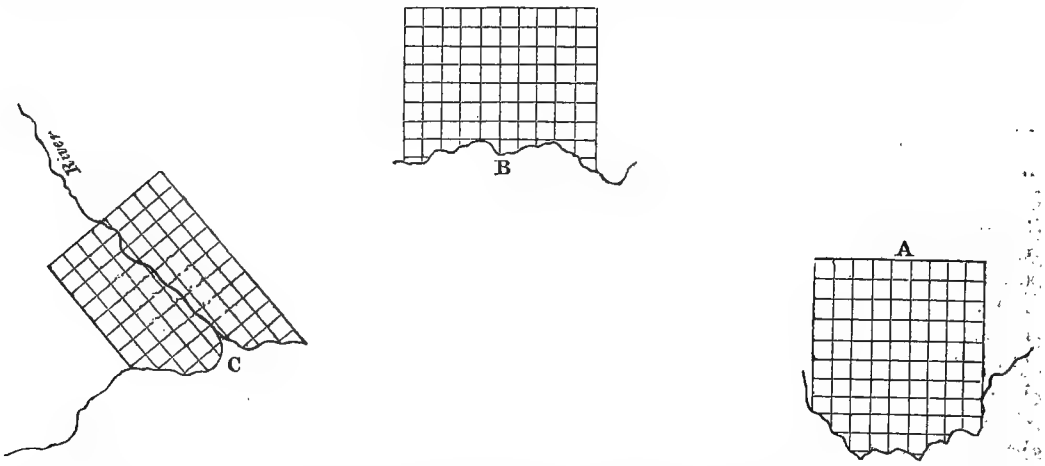
1st. It is probable that different settlements may be established, in distant parts of the colony, requiring districts of country to be laid out in sections around each, but without the possibility of immediately connecting the districts one with another; or,

2dly. Inaccessible, or unproductive tracts may intervene between rich and luxuriant districts, to break and destroy the continuity of the system of lines before proposed; or,

3dly. It may be found desirable to change the direction of the lines (hitherto laid out in the direction of the cardinal points), and to adapt them to the natural lines and features of the country, such as rivers, valleys, lakes, coast-lines, &c.

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With regard to the two first cases herein suggested, the system before described will still be found strictly applicable, viz., the setting out series of parallel lines in the direction of the meridian, and at right angles with it: only the groups of lines will be detached, and at a distance from one another, as shown by the groups A and B in the annexed sketch.

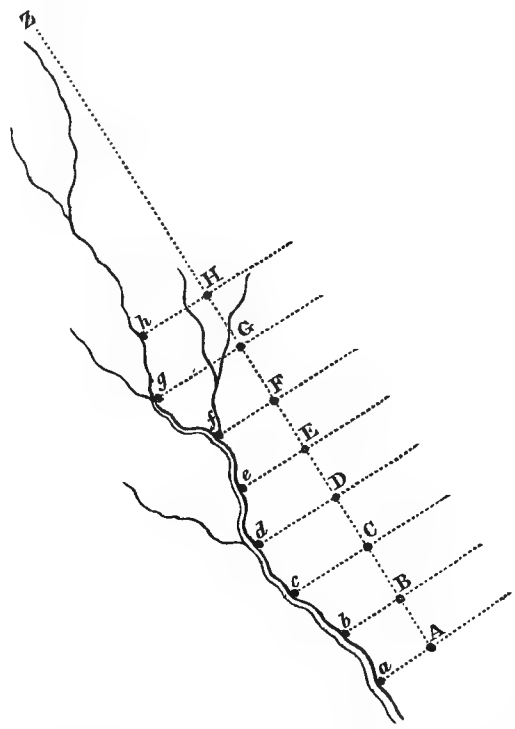


In the third case, where rivers, valleys, lakes, or coast-lines occur, to change the direction of the lines, as at C in the sketch, the same system will still prevail as to laying out the lines, only that the prime line will here take the general direction of the river, valley, &c., instead of being drawn north and south.

So long as the regulation prevails for selling lands only which have been surveyed, and keeping the surveys in advance of the settlements, these groups will go on extending continuously, and no difficulty will arise until other disturbing causes present themselves to compel the formation of new and distinct groups of sections. But should the measure of selling lands in advance of the surveys be introduced, and a more rapid system of survey be required, I would suggest the following as being most applicable to the purpose.

Presuming that the lands most likely to be selected are those in the immediate neighbourhood of rivers, lakes, or the sea-coast, I would suggest that, instead of making a complete survey of the sections in the first instance, the frontage only of the sections should be set out, under fixed limitations as to the comparative depth of country to be taken with every given length of frontage.

Thus for setting out sections along the river in the annexed sketch, I would run a straight line, A Z, in the general direction of the river, and at a short distance from it, driving pickets A, B, C, D, &c. at intervals of a quarter of a mile. At each of these points I would set off and measure perpendicular lines, down to the river, marking with pickets the points *a*, *b*, *c*, *d*, &c. on the river's bank. These last pickets would define clearly the extent of water frontage, while the perpendiculars *a* A, *b* B, *c* C, &c. would denote the back direction of the sections; their extent in that direction being regulated by the frontage.



Looking to the great advantage which water frontage affords, it must doubtless be the policy of the Government to distribute that advantage equally, and as generally as possible, throughout the settlement. It becomes, therefore, a question of importance to determine the proportion which should be observed, in water sections, as to frontage and depth. The proportion in the land sections, hitherto set out, has been that of 2 to 1, the sides being half a mile, and a quarter of a mile, respectively.

In the water sections the proportion may be increased, probably as 3 to 1, thus: - - - - - -



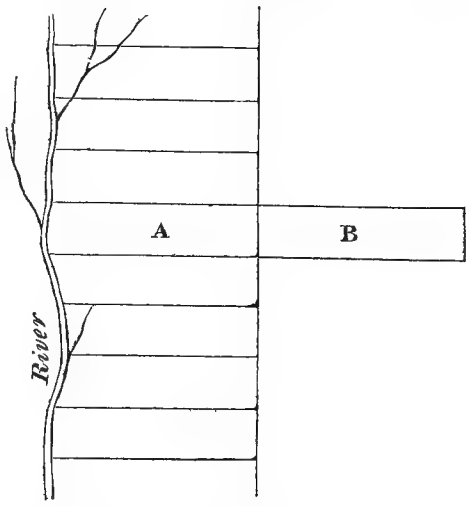
or as 4 to 1, thus: - - - - - - -



But if the same acreage be preserved in the water sections, the frontage will of course have to be reduced in proportion to the increased depth; and in the latter case it would be 10 chains or 220 yard sonly, for a whole mile in depth.

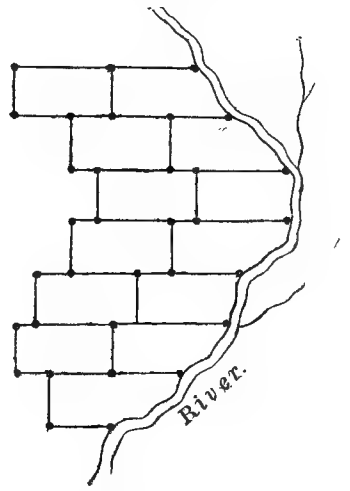
A field

A field of 10 chains square contains 10 acres, and 10 chains may therefore be considered rather a narrow frontage, under any circumstances, for an eighty-acre section. But if it be desired to make provision for a probable future extension of the holdings, it will be seen that a settler in one of the sections A, who has his homestead near the river, and occupied sections on either side of him, can extend his property only in the back direction B, the nearest point of the new section being a mile off, and the farthest point two miles, with a breadth of only 220 yards. A farm of such a shape would not be considered a desirable one in this country, and a more compact form should equally be desired for the colonies.



The proportion of 3 to 1, would improve the form of the sections, but the sides in this case do not result from so simple a division of the mile. And, to preserve the quarter-mile frontage and increase the size of the sections, by extending them to twice the ordinary depth, would have the effect of excluding persons of small capital from the purchase of water sections.

Preserving a uniform size in the water sections would further be attended with the inconvenience of causing the sections to run in steps, as shown in the annexed sketch; and the advantage of a continuous line at the back of the sections would be lost.

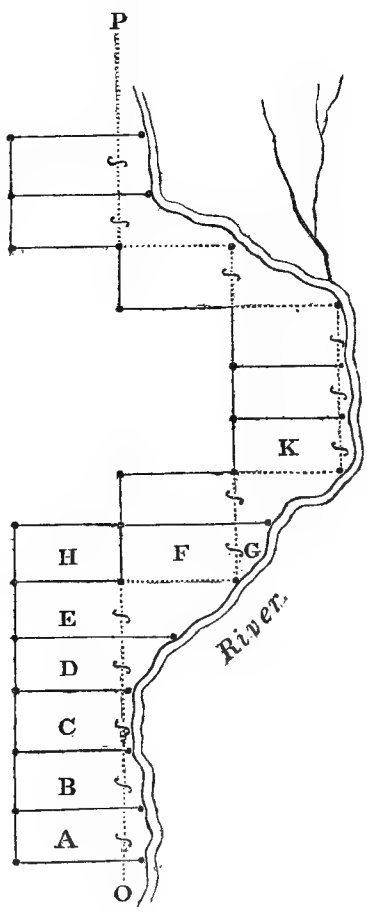


What I should suggest, therefore, as a preferable course under such circumstances, would be to vary the size of the water sections in the following manner, and subject to the following regulations :—The first line should be run from a point O, not more than 10 chains from the river; and the broken spaces between the line and the river should be added to the sections immediately behind them.

Thus, the first section, A, would be increased from 80 to 100 acres; the second, B, would be something less, say about 90; the third, C, only a trifle more than 80 acres; the fourth, D, about 100; E, 150.

At F the deflection of the river is such as to admit of an entire section, of 80 acres, being set out between the main line and the river, together with a broken portion G. F and G, taken together, will therefore form the water section in this case, and H will be a land section of 80 acres only.

The same system would be pursued if the river fell off to the extent of two ordinary sections from the line, as at K, the water section consisting always of the broken portion, in addition to the next entire section. In both these last-mentioned cases, however, the measurement should be discontinued along the line O P, and carried along the parallel line which separates the broken portion from the entire section, as shown by the dotted line in the sketch.



Thus the water sections, while in some cases only a trifle larger than an ordinary section, would in others be nearly, though never quite, equal to twice that size, and would never exceed one mile in length; they would be suited, therefore, to the means both of large and small capitalists.

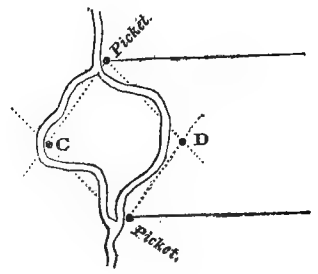
To determine the actual contents of the water sections, a survey of the line of the river or coast must be made; but for this probably time may be allowed before the conveyance is completed.

A tolerable

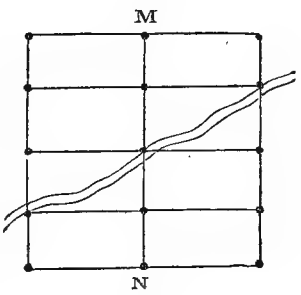
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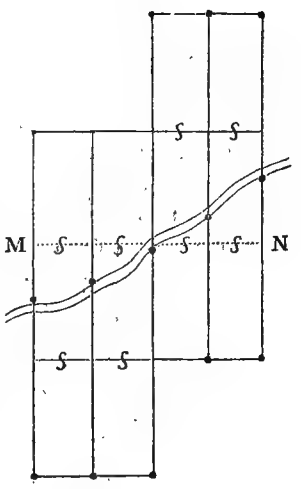
A tolerable approximation to the quantity may, however, be made thus:—

The distance between the two frontage pickets on the river bank being only a quarter of a mile, or 440 yards, the direction of the river at some intermediate point, about half way between the pickets, may be observed with the theodolite, sufficiently near at least to show whether the river runs by C or D, and so to guard against any great deception in the estimated contents of the section. An arrangement might then probably be made for the immediate conveyance of the property, on the settler agreeing to take the quantity of land at the surveyor-general's estimate.



The arrangement for varying the size of the water sections has, moreover, the important advantage of removing entirely the difficulty which might be expected to arise, from laying out the sections arbitrarily, by cardinal lines and parallels, without reference to the natural lines of the country. If, for instance, in the survey of the square mile, represented in the annexed sketch, a river should be found to traverse it, passing through two sections only, giving to those section an undue allowance of water frontage, and conferring advantages on them, to the exclusion of the other sections, the injustice and irregularity would be found to admit of an easy remedy as the survey proceeds (without adding materially to its expense), by merely changing the direction of the sections, measuring the line M N in an east and west direction, instead of north and south, and adding the broken portions of sections to the sections immediately behind them; the only additional measurements required being the intermediate distances from the line M N to the river.





A map of the district of Adelaide is annexed to this Report, showing the application of the running survey to that locality; as also a copy of the map which accompanies the Third Report of the Colonization Commissioners, showing in what manner that district has actually been set out.

It would be difficult, if not impracticable, to make any arrangement, as the running survey proceeds, for adapting lines of road to the physical features of the country. Such an arrangement will suggest itself, and be found more practicable as the country becomes better known; and, in the meantime, the lines which bound the eight-section blocks will be found most desirable for the purpose, a convenient and proper space being allowed and set off on either side the line. It is to be borne in mind, however, that the early prosperity of the colony must be dependent, in a great measure, upon the facility of communication afforded to the first settlers, and that very serious evils may result from the inattention or neglect of individual settlers, if it be left to their own judgment and convenience to provide the means; therefore a legislative enactment, by which the formation of the first lines of road should be made, as nearly as possible, concurrent with the location, appears to me highly desirable.

The future Trigonometrical Operation.

When, at some future time, it shall be deemed necessary to combine these several detached surveys of sections into one general map, showing the several groups in their true geographical positions, and tracing the intermediate lines of coast, lakes, and rivers, and the lines of road which have been opened for communicating between the detached points of settlement, then will the necessity arise for the trigonometrical operation to which I have alluded, and then should it be undertaken, not with a view of detecting minute differences and irregularities in the sections individually, but to fix the groups in position relatively to the principal geographical lines and features of the country, so as to show what land still remains to be laid out, and how the whole country may be divided, by natural lines or otherwise, into counties, hundreds, parishes, &c.

For this purpose a trigonometrical survey, such as has been effected by Sir Thomas Mitchell, in Sydney, will be fully sufficient, as is shown by the result in its application there.

Expense.

In estimating the expense of the running survey, it will be seen, by the diagram before given (page 344), that the first square mile of country laid out involves the measurement of five linear miles, viz. the four sides of the square and the interior line M N. In the two next squares, to the north and east of it, one of the sides of the first square being common to them also, only four miles of linear measurement will be required. In the fourth square, which completes the figure up to the point S, two of its sides have already been measured, and it is necessary only to measure, in addition, two sides of the square, and the interior line M N, being three linear miles.

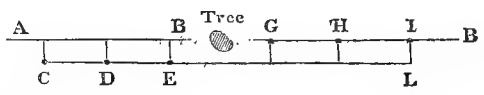
Thus it appears that, after the first square mile has been set out, the remaining squares will require either four or three miles of linear measurement for their determination; that is to say, the squares along the prime lines will require four miles, the others only three miles each.

Taking the larger quantity as the basis of the estimate of expense (which should provide fully for the additional measurements required in the case of water sections), the cost of setting out eight sections, each containing 80 acres of land, will be equivalent to the expense of four miles of cutting and linear measurement; or, one mile of cutting and linear measurement will be equivalent to the setting out of two sections, or 160 acres of land.

It becomes necessary, therefore, to ascertain the probable cost of the linear measurements in New Zealand.

The lines measured for the construction of surveys in this country, being for the most part disposed in triangles, and not arbitrarily in cardinal lines and parallels, as herein suggested, admit of adaptation to the circumstances of the ground. In measuring through woods also, in this country, where timber is highly valuable, great care is requisite, on the part of the surveyor, to avoid doing injury to private property of this description.

In ranging his lines, therefore, the surveyor is careful to dispose them in such a manner as to avoid the necessity of felling trees, and if, spite of all his efforts to the contrary, he finds it impracticable entirely to steer clear of them, he provides for passing them by, after this manner:—



The measured line A B being obstructed by a tree, staves are set up at C, D, and E, two or three feet from the measured line, (according to the diameter of the tree,) and one or two chains apart. The line C D E L is then measured, parallel to A B, until it has passed the obstructing tree; or, it may be continued until another tree occurs in the line to stop its further progress. Then, by setting up other staves, G, H, I, at distances corresponding to the former, a return is made to the direction of the original line, which is again pursued as before.

The trees thus passed become "sight trees," and should, with their "witnesses," be marked and registered, as described in the extract at page 345.

Thus the felling of timber is avoided in this country, and the cutting through woods applies to coppice-woods only, being analogous, therefore, to the underwood in the colonies.

The coppices in this country are, however, probably as dense and difficult to traverse as any of the underwoods in the colonies. Take, for instance, the coppices in Kent and Sussex, of 20 years' growth, and 18 or 20 feet height, which, when cut, are used for hop-poles, &c.; and I cannot imagine that the mere undergrowth in New Zealand can anywhere be more difficult to traverse, than districts such as these.

The practice of this country shows that an alley, four feet in width, may be cut by two men, through the most dense coppice of this description, at the average rate of three-quarters of a mile per diem.*

Calculating for this rate of progress, at the existing rate of wages in New Zealand, the result will be as follows; viz.—

	£.	s.	d.
An assistant surveyor at (per diem) - - - - - -		10	–
Two woodmen (at 5 *s.* per diem, each) - - - -		10	–
Two chainmen (at 5 *s.* per diem, each) - - - -		10	–
Rations for the party (per diem) say - - - - -		15	–
Total - - - - -	£. 2	5	–

for three quarters of a mile of cutting and linear measurement, or three pounds per linear mile, which, according to the previous estimate, gives 4½ *d.* per acre as the cost of the running survey in New Zealand, under local circumstances of the greatest difficulty which this country affords an idea of.

The

* This average quantity is the result of the combined experience of 24 of the ablest practical surveyors in this country, to whom I addressed the following queries; viz.—

1st. What do you consider to be the average time consumed in cutting through woods, preparatory to the measurement of lines through them for the construction of parish surveys? What time per linear mile?

2d. How many hands would be employed in the cuttings?

3d. State the nature of the woods to which your estimate refers, whether of full-grown timber, with or without underwood, thick or open coppice, and with or without timber.

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The supposition, however, on which the above estimate is founded, viz. that the surface of New Zealand is covered with a dense mass of underwood, as impervious as the full-grown coppices in England, is contrary to fact.

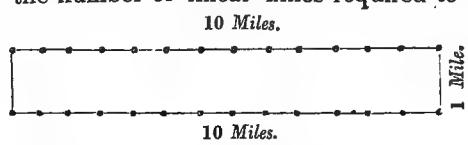
It is well known that immense quantities of timber are to be met with in New Zealand, and it is universally found that underwood and timber do not grow in quantities together; that where one is plentiful, the other is comparatively scarce.

The information I have received from the New Zealand Company, and from other sources, shows that the forests of New Zealand are very similar to those of the Canadas, and that the estimated cost of a survey in the former colony may safely, and with propriety, be based on the actual experience of the others.

Comparison of the above Estimate with the known Cost of Surveys in Lower Canada.

The cost of laying out lands for location in Lower Canada is known to be about 1*d.* per acre; and it may be well, before proceeding further, to investigate the difference between the result in this case, and the estimated cost of 4½ *d.* per acre, as before given for New Zealand.

In the first place it must be taken into account, that the allotments in Lower Canada are of 200 acres each, instead of 80 acres, as estimated for New Zealand; and while, for laying out sections of 80 acres in New Zealand, I have allowed four miles of linear measurement for every square mile of ground, the number of linear miles required to be measured for laying out sections of 200 acres in Canada (the external lines only of the figure being measured), is shown by the annexed sketch to be but 22 linear miles for every 10 square miles, or two and one-fifth linear miles for every square mile of ground.



The proportion of two and one-fifth linear miles to 1*d.*, gives, for four linear miles, rather more than 1¾ *d.* per acre, as the resulting cost of the existing system of survey in Lower Canada, supposing the sections to be reduced in size from 200 acres to 80 acres each.

The remaining difference between the 1¾ *d.* and 4½ *d.* per acre, may easily be explained, by the increased quantity of labour contemplated in the latter case. Thus, in the extract before given, relative to surveying in America, it is stated that "a tolerably clear way may frequently be seen among the trees, to a distance of 10 or 20 chains" (say a quarter of a mile), and "the axe-man here and there cuts down small saplings that seem in the way of the chainmen." Now the estimate from which the 4½ *d.* per acre results, contemplates the measurement of the lines through a continued mass of brushwood, so dense, that not even 20 or 10 feet can be measured without a cutting, infinitely more laborious than that of the occasional sapling.

Had the coppice woods of the estimate been those of only six years' growth, or had underwood been estimated for, such as should require the cutting only of an occasional sapling, it is not to be doubted that the labour of cutting would be diminished by at least a half, and that twice the quantity of work should be performed in a day. The estimated expense of the running survey in New Zealand would then be reduced by one-half, or from 4½ *d.* to 2¼ *d.* per acre.

The difference between 2¼ *d.* and the 1¾ *d.* of the Canadian survey, may fairly be ascribed to the greater degree of accuracy involved in the system of survey I have proposed; and I do not hesitate to say that the increased accuracy would be well worth the increased cost.

These, therefore, are the probable limits of expense attending the running survey in New Zealand, as derived from the experience of this country and Lower Canada, viz. 2¼ *d.* and 4½ *d.* per acre, according to the nature of the ground; or putting the limits at 3*d.* and 6*d.** per acre, I feel confident that they ought not then to be exceeded in practice.†

It

* This would allow of an augmentation of the surveyor's pay to the extent of 10*s.* per diem, as a reward for superior intelligence and activity; for an additional woodman in difficult country, at 5*s.* per diem; for extra rations, 3*s.* per diem; and 2*s.* per linear mile for other contingencies, in addition to the allowances before provided.

† Should it be desired to increase the size of the sections, the same system of survey and estimate gives the following results; viz. for—

Sections of Acres.	Dimensions of Sections.	Side of the Original Square.	Expense per Acre.
	Chains.	*Miles.*	
80	40 by 20	1	3*d.* to 6*d.*
100	50 by 20	1¼	2¼*d.* to 4½*d.*
120	60 by 20	1½	2*d.* to 4*d.*
125	50 by 25	1¼	2¼*d.* to 4½*d.*
160	80 by 20	2	1½*d.* to 3*d.*
180	60 by 30	1½	2*d.* to 4*d.*
320	80 by 40	2	1½*d.* to 3*d.*

I do not, however, recommend an increase of the size of the squares, because as the size increases the frequency of the checks will diminish, and a door will be opened for the admission of the errors complained of in Lower Canada.

Captain Dawson's Report on Surveying.

It must be borne in mind, however, that these results (as in South Australia also, and the other colonies) apply strictly to the progress of the survey, exclusive of central superintendence, instruments, stores, &c., the application of which has reference to periods of time. These expenses may nevertheless be estimated and applied acreably, or in any other way that is desired*. The expenses to which I allude are,—

1. The salaries of the surveyor-general and deputy surveyor-general.
2. Ditto of draughtsmen.
3. Ditto of clerks.
4. Ditto of office-keeper and messenger.
5. Office rent.
6. Stationery, instruments, and stores.
7. Transport of stores, and the removal of parties to distant stations.

I am well aware, however, that the survey in South Australia has been attended with an expense which scarcely bears any analogy to the rates above stated, and, though I am not directly called upon by my instructions to investigate the internal economy of the South Australian Survey, it may nevertheless be expected that I should inquire into the circumstances, and ascertain, if possible, the contingent and probable causes which have led to the excess.

Analysis of the Cost of the South Australian Survey.

By a Return which accompanies the present surveyor-general's report of expenditure for December quarter, 1839, shortly after his arrival in the colony, it appears that a party of 16 assistant-surveyors and 189 labourers had surveyed 37,508 acres during the quarter, at a cost (including rations) of 6,041 *l.*, or 3*s.* 2 *d.* per acre.

In order to analyze this Return, it is necessary to examine it with reference to the rate of progress, and also as to the costs.

First, as relates to progress:—Sixteen surveyors have surveyed 37,508 acres, or, on an average, 2,344 acres each, during the quarter.

Now it is well known that the country in South Australia is more open, and presents fewer obstacles to the surveyor than either New Zealand or Canada; and, according to the published estimate of Mr. Kingston (in the Third Report of the South Australian Commissioners, page 31), it is stated, on his own personal experience, that "three linear miles of surveying per diem" should be expected from each surveyor.

I have before shown that each linear mile is equivalent to the setting out of 160 acres; therefore, three linear miles would be equivalent to 480 acres per diem. And, allowing for only 20 working days in a month, or 60 days in a quarter, we should have 28,800 acres, as the proper progress per quarter of each surveyor, instead of the 2,344 acres, as above; or more than 12 times the quantity actually instead of in the quarter ending December 1839.

Or, estimating the progress of the linear survey at one mile only per diem, as in New Zealand, four times the above reported rate of progress should be attained; and the deficiency cannot be ascribed to a faulty estimate, when in Canada the estimate is fully borne out in practice†.

The difference must be ascribed then to other causes; either to negligence, indolence, or incapacity, on the part of the surveyors, or to adventitious circumstances which shall presently be considered.

Whatever be the cause of the deficient progress, it is evident that the cost of the survey must be increased fourfold by it; or, that what should have been done at 3 *d.* per acre, according to the New Zealand prices and estimate, has cost 1 *s.* in South Australia.

Secondly, as relates to the costs:—

The cost of assistant-surveyors, as regards their number, is involved in the previous consideration, which shows that the same quantity of work should be performed by a less number of surveyors; or, that the present establishment of surveyors should produce more work.

The average daily pay of the assistant-surveyors appears to be about 10 *s.*, and agrees with my New Zealand estimate. The average pay of the labourers also (including rations) amounts to but 6*s.* per diem each; and no reduction can, therefore, be contemplated on that head.

The number of labourers may, however, fairly be considered as admitting of reduction. It has been shown that two woodmen and two chain-men are a sufficient staff for each surveyor in the field, supposing the surveys to be pursued continuously, and not too far removed from the centre of supplies. Thus four labourers, instead of twelve, might have sufficed

---

* Taking the average progress of each surveying party at one linear mile per diem, which is equivalent to the setting out of 160 acres, eight assistant surveyors, working 240 days each, might be expected to produce about 307,200 acres per annum; and every 320*l.* expended as above, would, upon this quantity of work, advance the cost one farthing per acre.

† The average progress in Lower Canada is two miles per diem.

Captain Dawson's Report on Surveying.

sufficed for each surveyor, and two-thirds of the expense incurred under that head would then have been saved, or 1*s.* 9*d.* per acre. Or if, owing to the adventitious circumstances to which I have alluded, these additional labourers be rendered necessary, the effect must be to swell the cost of the survey in South Australia from 1*s.* to 2*s.* 9*d.* per acre.

There is one other item of expense in the Surveyor-general's return; viz. "the repairs of camp equipage, instruments, &c.," which he estimates at 800*l.* on the 37,508 acres, or 5*d.* per acre.

As no special allowance on that account is made in the Canadas, and none has been included in my estimate for New Zealand, this item must go still farther to increase the average acreable cost of the South Australian survey; viz. from 2*s.* 9*d.* to 3*s.* 2*d.* per acre.

It is thus shown how the increased expense of the South Australian survey, as compared with the Canadian survey, and with that which I have estimated (on the experience of this country) for New Zealand, has arisen; viz.

	s.	*d.*	
1. Through deficient progress, an increase of - -	–	9	per acre.
2. Extra labourers, an increase of - - - -	1	9	—
3. Repairs of camp equipage, instruments, &c. an increase of - - - - - - - - -	–	5	—
Making a Total of - - -	2	11	per acre.

If to which be added 3*d.* (the lowest estimate of cost in New Zealand), we shall have 3*s.* 2*d.* per acre, which the return shows to have been the actual working cost of the South Australian survey in 1839*.

To investigate satisfactorily the causes of the above results would be difficult, if not impracticable, with the imperfect information which the reports sent to this country afford. I must content myself, therefore, with pointing out such probable causes as suggest themselves, or have been suggested to me.

1st. Deficient progress may, and probably does, arise to a considerable extent, from combining a trigonometrical operation, of a greater or less degree of accuracy, with the simple running survey, which has been shown of itself to be sufficient for the purpose of location.

Another certain cause of deficient progress is to be found in the dispersion of the surveying parties; in the time they must necessarily lose in travelling to and from their districts, particularly if the districts be remote; and in working generally at too great a distance from their quarters (an evil which will daily be felt when a regular encampment is formed); as also in the time lost in moving the encampment from place to place as the survey proceeds.

And again (though I should hope no such cause would ever arise), deficient progress may result from the negligence, indolence, or incapacity of the parties employed.

2dly. The employment of extra labourers will arise also from the super-addition of a trigonometrical operation, and from dispersion of the surveying parties; in the conveyance of stores and provisions; in forming protecting parties also; and, where encampments are formed, persons must be employed to protect the tents, as well as for cooking, &c.

The third and last item of increased expense, viz. for "repairs of camp equipage, &c.," can arise only when camp equipage is used.

The surveyor-general estimates, for repairs of camp equipage and instruments, thus; viz.

"Required for a party of one officer and eight men—

1 marquee - - - -	£. 30	Calculated to last for two years.
2 bell tents - - - -	35	
1 store tent - - - -	10	
Camp equipage, &c. - -	25	
Instruments - - - -	60	

And he adds,

"Assuming the instruments to last three years, it gives about 70*l.* per annum for each party; and if to this be further added 50*l.* per annum for keep of a horse, and repairs of cart and harness, it will give 30*l.* for the quarter" for each party.

Without entering into the consideration of the question, whether camp equipage should or should not be allowed, it may be well to compare the above estimate (which adds 5*d.* per acre to the expense of the survey), with the following statement† of expenses ordinarily incurred

* The salaries of the surveyor-general and two deputy surveyors-general, with other contingent expenses, which in the Return are not brought to bear on the acreage, would, if included, still further increase the cost to 3*s.* 9*d.* per acre for the period above referred to.

† For this statement I am indebted to John F. Bouchette, Esq. late Lieutenant of the 68th Light Infantry, son of the surveyor-general of Lower Canada.

incurred in the survey of an entire township of 100 square miles, or 64,000 acres, in Lower Canada, viz.: Captain Dawson's Report on Surveying.

	£.	s.	d.
A surveyor, at 25 *s.* per diem, 90 days	112	10	–
Two chain-men, 5 *s.* per diem each, 70 days	35	–	–
Three woodmen, 3 *l.* 15 *s.* per month each, 70 days	29	17	–
Provisions	25	–	–
Transport of provisions, and other incidental expenses of travelling to and from the district to be surveyed	20	–	–
Stationery	10	–	–
Total £.	232	7	–

Being a trifle less than 1 *d.* per acre for the entire work.

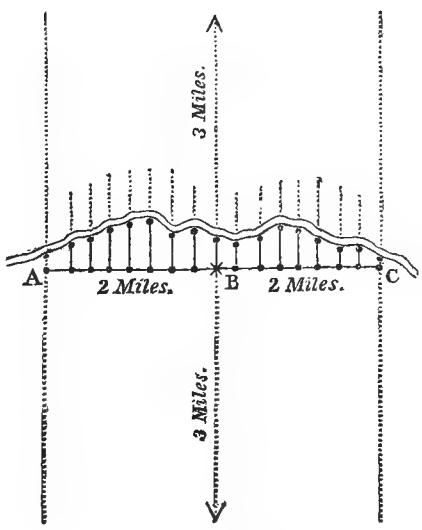
It is necessary only, in addition, to repeat, that in Canada camp equipage is not allowed, and that the party provide their own cooking apparatus and bedding. They work generally until sunset; and then, selecting a proper place for their night quarters, they proceed to cut and to drive stakes, in the form of a small enclosure, which they cover with the boughs first, and then with the bark of trees, and, lighting a good fire in it, they make themselves comfortable for the night. In making this statement, however, I wish to be understood as merely recording the fact, and not as recommending the practice.

In connexion with the evils which result from dispersion of the surveyors, the regulation for special surveys must be noticed, as tending also, in its present form, unduly and unnecessarily to burthen the current yearly expenditure of the survey department.

The regulation provides that every person who shall advance the price of 4,000 acres of land shall be entitled to call for a survey and division, as nearly as may be, into sections of 80 acres each, of any compact district of 16,000 acres, and to select his sections from any part of such district, subject to this limitation, viz. that he shall be restricted to a water frontage, not exceeding two miles, for every 4,000 acres purchased.

Thus the limitation, as to water frontage, restricts the purchaser of 4,000 acres to a frontage of two miles only; and the 80-acre sections being half a mile in length by a quarter of a mile in breadth, the utmost he could claim under the regulation, would be eight water sections, with a back district of about three miles in depth.

If, then, a special survey were called for of a compact district of 16,000 acres, on the banks of the river A C, the regulation which assigns a back district of three miles in depth to every two miles of water frontage would limit the extent of the special survey to four miles of the river's course, with a back district of three miles on either side.



According to the more rapid system of survey which I have proposed, all that would be requisite under these circumstances would be to measure the line A B C, together with the perpendiculars down to the river; and, estimating the perpendicular offset distances, on an average, to be equal to the full depth of a section, the result would be as follows, viz.:

The line A B C	4 miles.
17 offset distances (half a mile each)	8½ —
Total	12½ linear miles.

The purchaser would then have the choice of 16 water sections on either side of the river, the frontage of which would be marked with pickets on the bank, and the back direction clearly defined by the corresponding pickets on the line A B C.

The extent to which he would be entitled to go in the back direction would not, it is true, be immediately set out upon the ground; nor could it be a matter of importance so to set it out until other settlers desire to locate themselves on the adjoining lands, when the lines required for the new surveys would complete the former ones. The back direction might, however, be calculated and registered in the surveyor-general's office, and the conveyance be effected by it, as before shown.

Captain Dawson's Report on Surveying.

The measurement of the 12½ linear miles upon the ground, at 3 *l.* per mile (which is much too high an estimate for South Australia), would cost 37 *l.* 10 *s.*, or about one halfpenny an acre on the whole district, and 2¼ *d.* per acre on the 4,000 acres sold.

The division of a special survey into sections of 80 acres each, at 3 *s.* 2 *d.* per acre, costs 2,533 *l.*

It has been shown that the other objects of the regulation might be attained at a cost only of 37 *l.* 10 *s.*, and consequently the division into sections, of itself alone, at the price above stated, involves a present expenditure of nearly 2,500 *l.* for every special survey sold; three-fourths of which must be considered as in anticipation of sales, which may or may not be effected for years to come.

And, lastly, among the evils arising from dispersion, the sacrifice of the surveyor-general's personal superintendence, and the substitution of the separate responsibilities of the assistant surveyors, must not be overlooked.

Conclusion.

In conclusion, I beg to express a hope that I have rightly apprehended your Lordship's wishes; and that, in the practical view which I have taken of the subject, I may have so far succeeded as to satisfy your mind on the following points; viz.

1st. That the running survey herein proposed is the most economical mode of effecting a survey in New Zealand; and that the combination of a trigonometrical operation with it is unnecessary for the purpose of location, and may, without detriment, be deferred to a future date; and,

2dly. That the expense of the running survey per square mile should not generally exceed the cost of measuring four linear miles upon the ground, and should average between 3 *d.* and 6 *d.* per acre; and that the combination of a trigonometrical operation, and other adventitious circumstances, with the running survey, would have the effect of increasing indefinitely the expense.

I have the honour to be,
my Lord,
Your Lordship's most obedient humble Servant,

Robert Kearsley Dawson,
Captain Royal Engineers.

Tithe Commission Office,
Somerset House, 22 December 1840.

PORT ADELAIDE

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OF

RIV

ADEL

HOLDFAST

Plate I.



N E W I N Y A

A D E

H O L D F A S T

S. GLENELG

B A Y

O F

G U L F.

Compiled and Drawn by G. M. Williams.

E L A I D E

PL.I.

of the District of

ADELAIDE,

shewing the application of the Running Survey to that locality.

NB. THE WATER SECTIONS ARE COLORED TO SHEW THEIR INCREASED EXTENT.

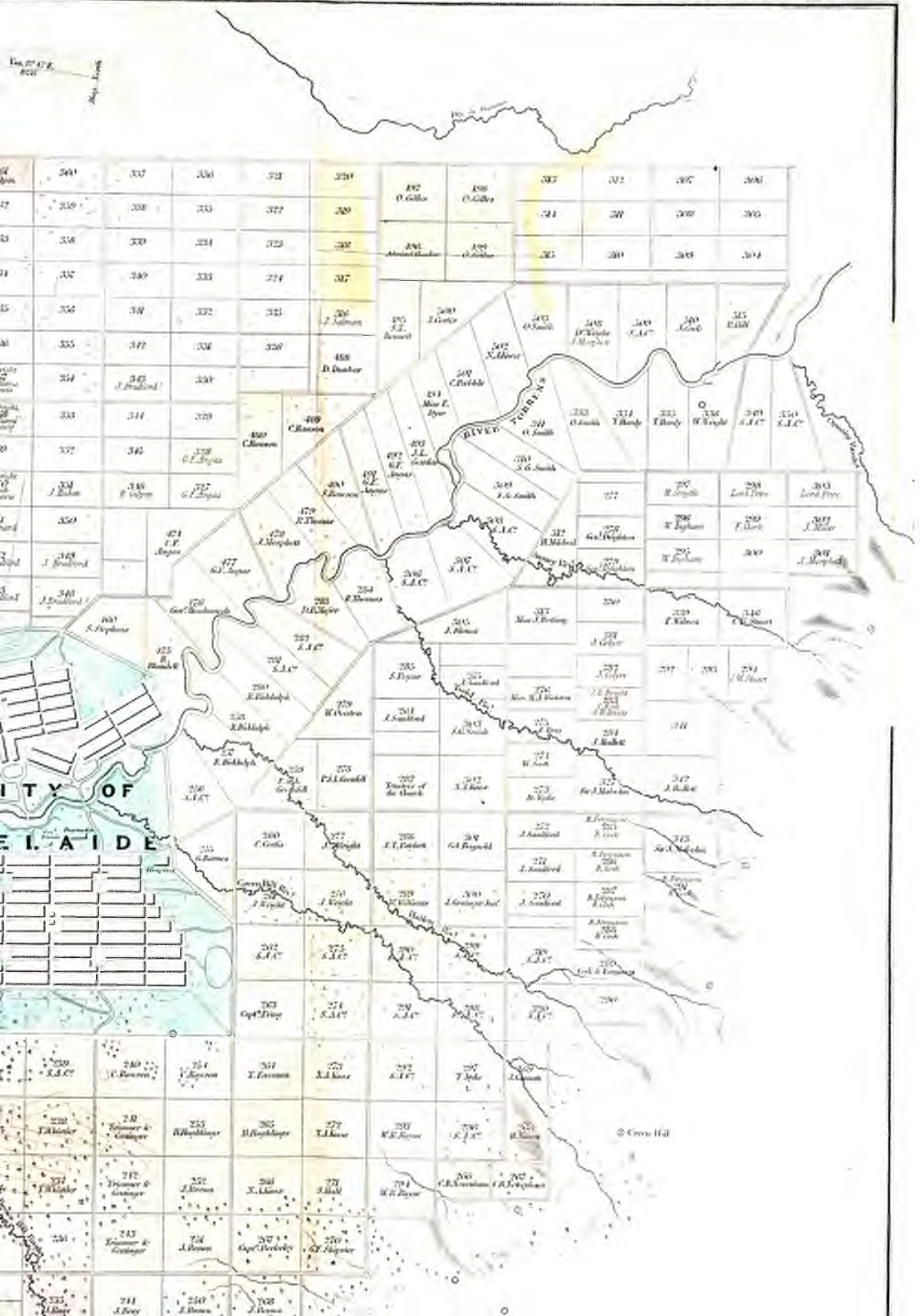
Robt Dawson
Capt R.E.

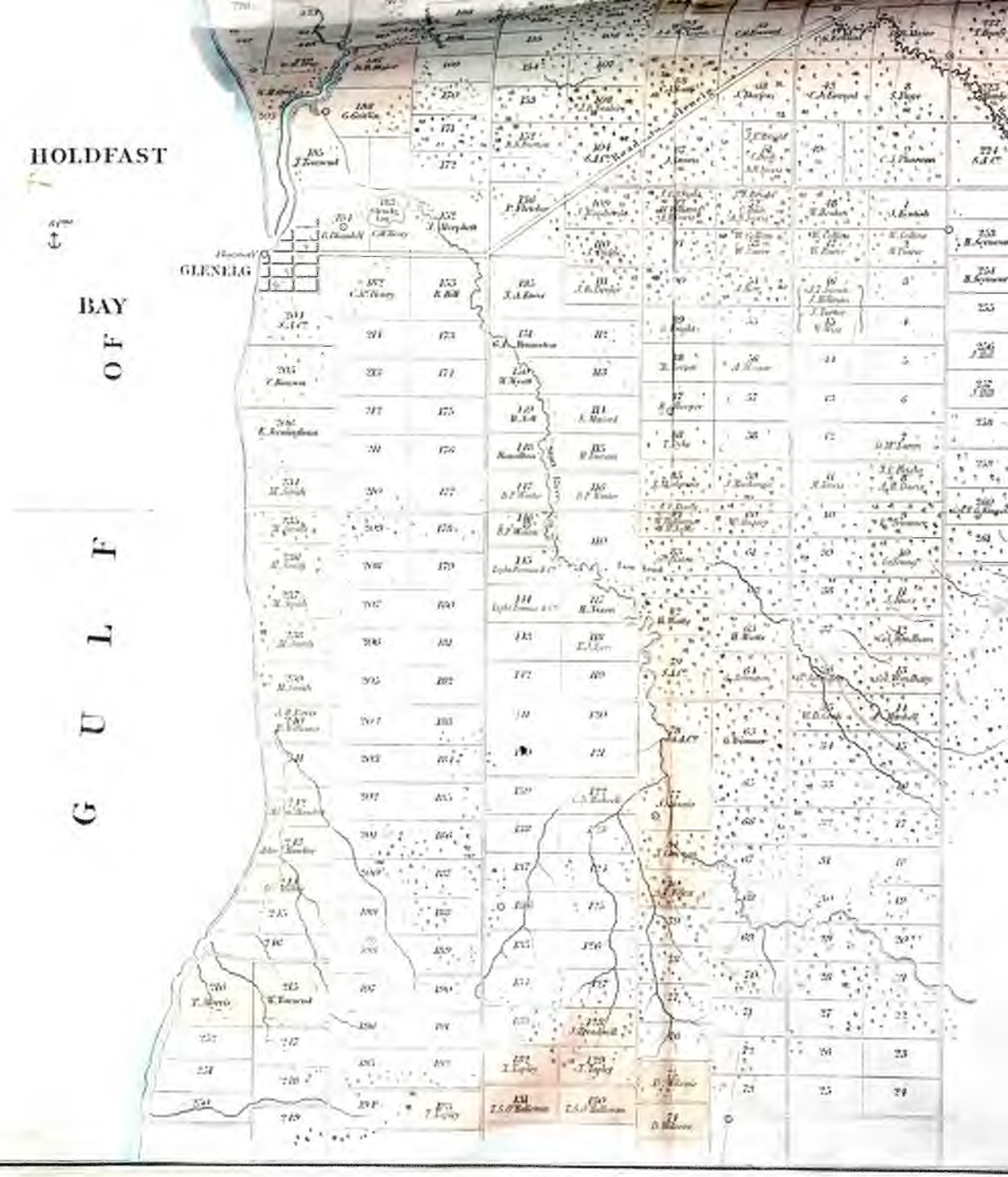
Scale of Miles.

Ordered to be Printed 21st June 1841.

PORT ADELAIDE

HOLDFAST


RIVER TORRENS
CITY OF ADELAIDE


HOLDFAST
GLENELG
BAY
OF
G U L F

THE

DISTRICT OF
ADELAIDE,
SOUTH AUSTRALIA;

As divided into Country Sections.

from the Trigonometrical Survey of

Colonel Light

late Surv.r Gen.l

John Arrowsmith
10 Soho Square,
1839.

* *Where this mark the rivers cease to run during the dry season.*
Stations of the Trigonometrical Survey.
The large sections contain 134 Acres each.
The small do. 67 do. 100 do. do.

Scale of Miles.

...ed by John Arrowsmith, 10 Soho Square.

Printed June 21st 1841

The

MARITIME PORTION

OF

SOUTH AUSTRALIA,

from Capt.ⁿ Flinders & from more

recent Surveys made by the Surv.ʳ Gen.ˡ of the Colonies

BY JOHN ARROWSMITH.

Longitude East from Greenwich

133 134 135 136 137

EYRE LAND

ANXIOUS BAY

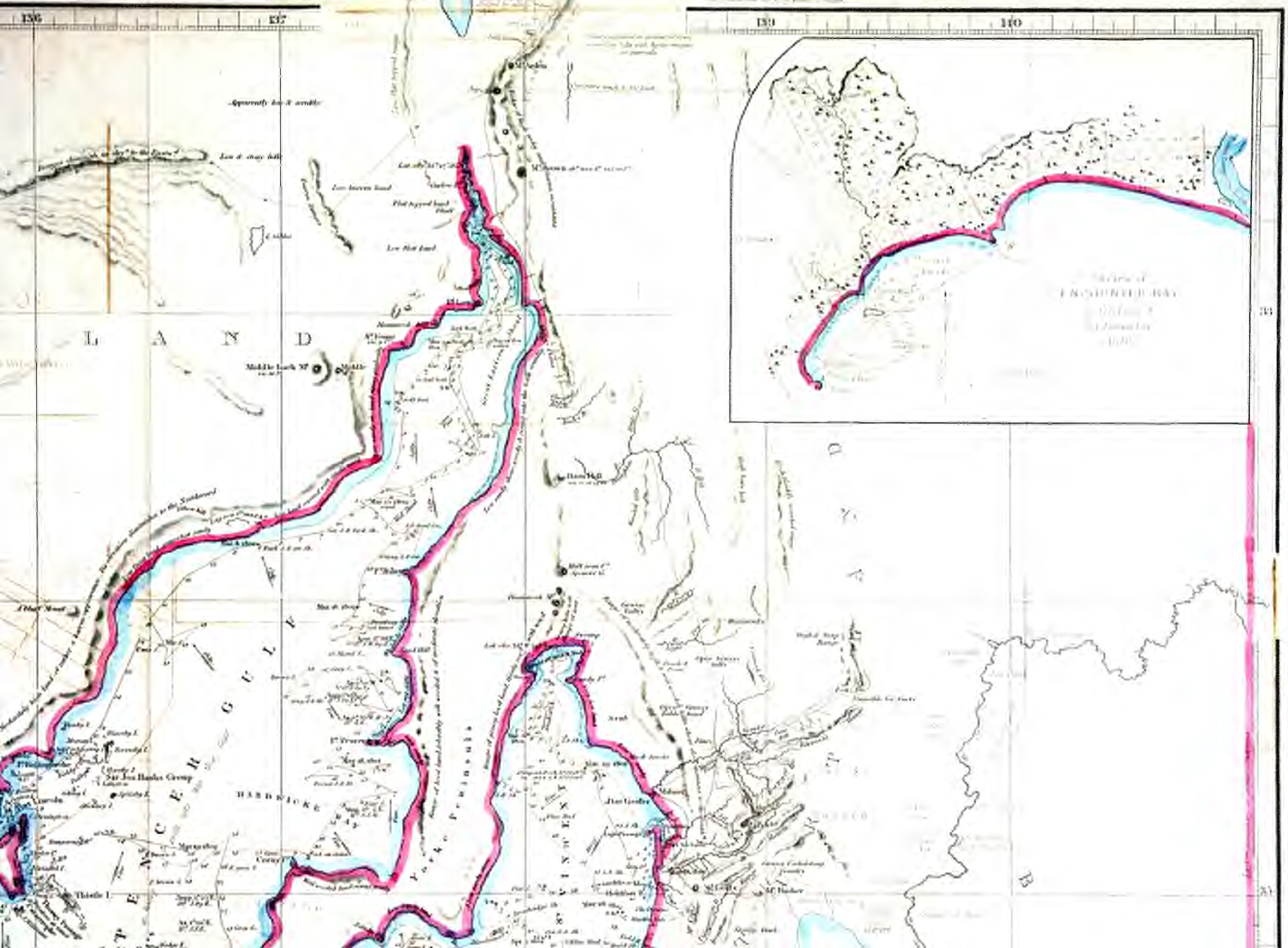
INVESTIGATOR GROUP

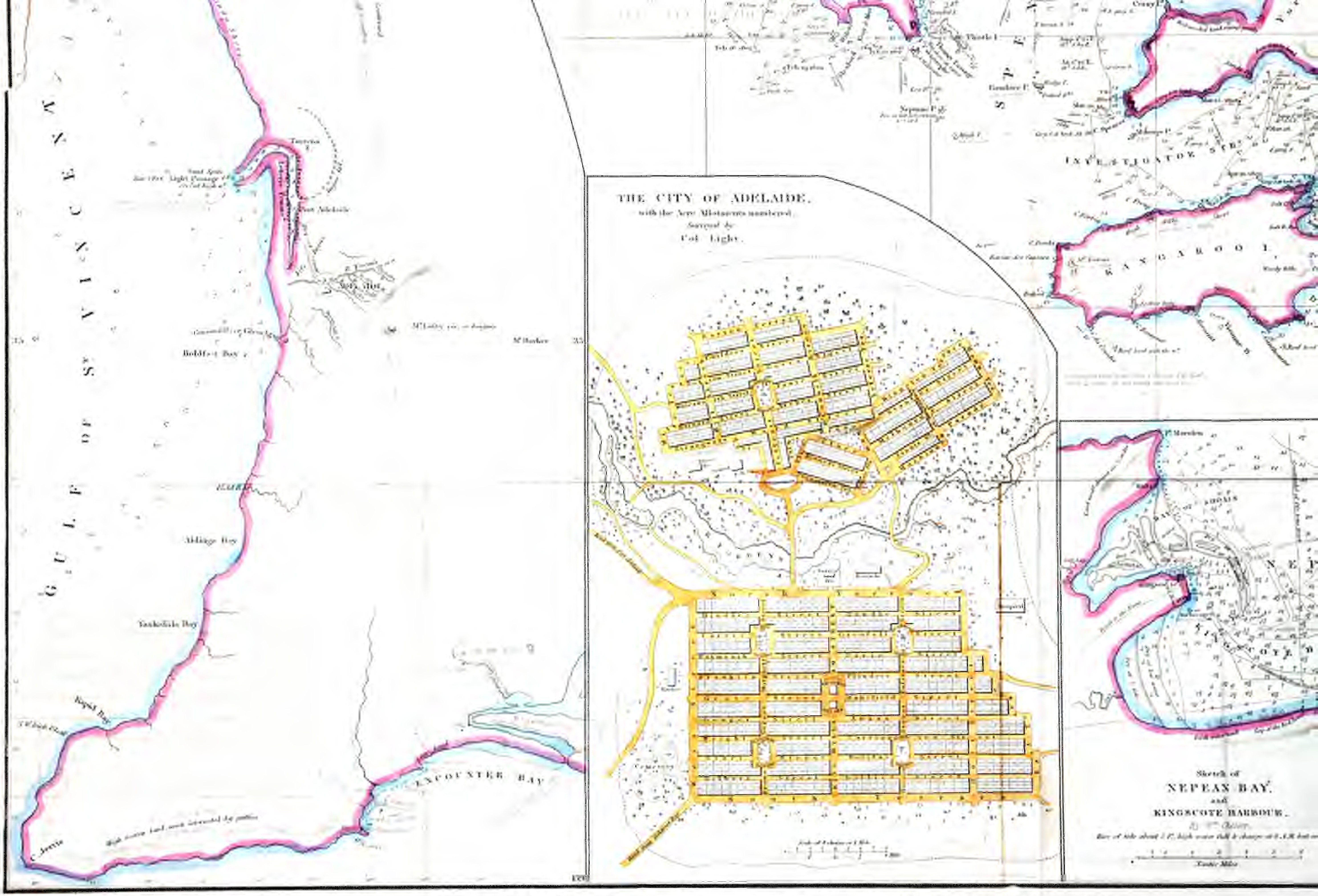
COFFIN BAY

SPENCER'S GULF

BARGICURE

NUYTS ARCHIPELAGO


136
137
139
140
Apparently low & scrubby
Low & stony hills
Low brown land
Flat topped land
Low flat land
L A N D
Middle Back Mt
S P E N C E R   G U L F
Sir Jos Banks Group
Thistle I.
HARDWICKE
Yorke Peninsula
Mt Arden
Mt Brown
Hummock Mt
Mt Barker



London Published Feb. 1841 by John Arrowsmith, Soho Square.
Ordered to be Printed June 21st 1841.

INVESTIGATOR STR.

WAROONGA ROOE.

LAKE ALEXANDRINA

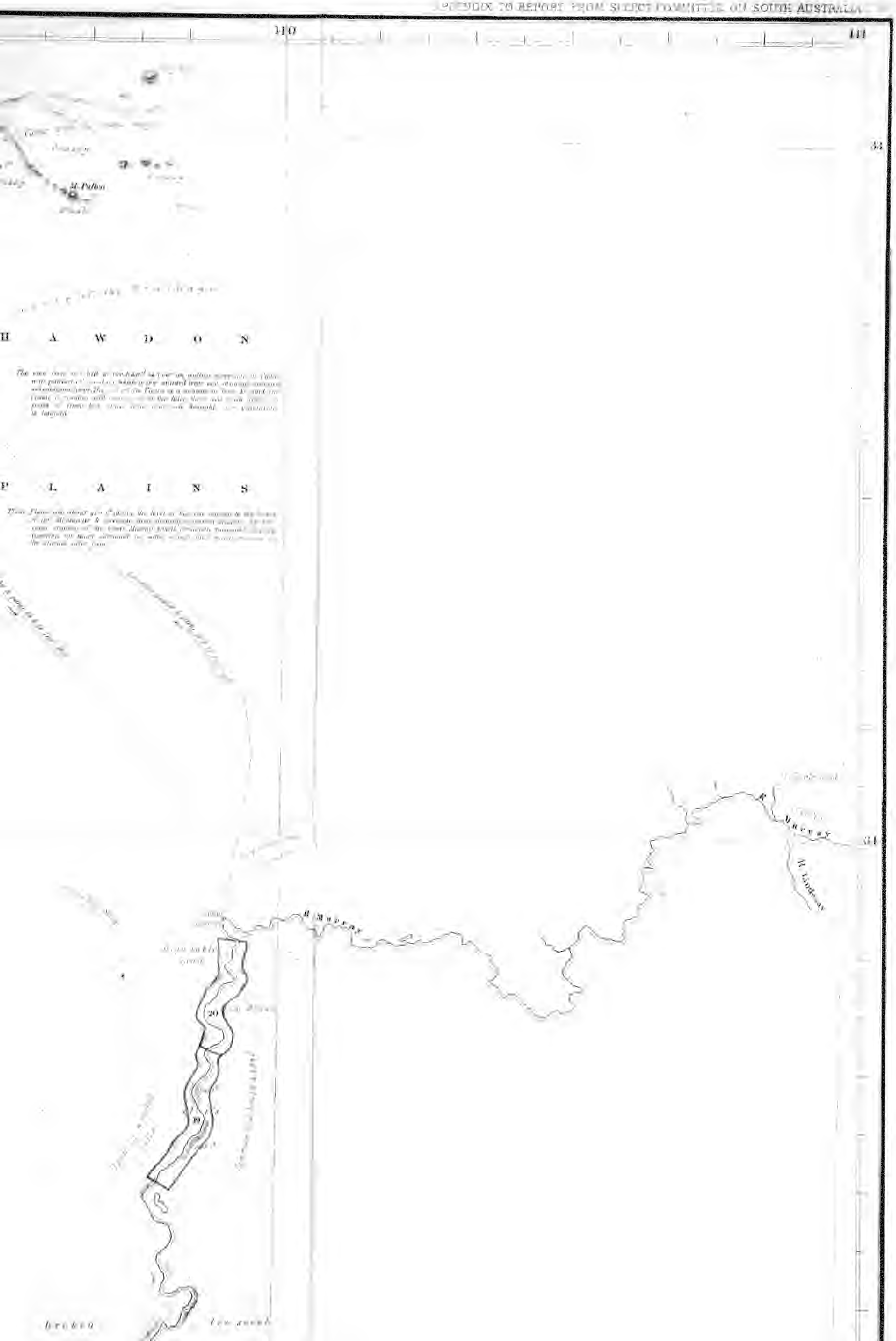
NEPEAN BAY

KINGSCOTE HARBOR

Sketch of
NEPEAN BAY.
and
KINGSCOTE HARBOUR.
By W.ᵐ Chaster.

Published 8th ᵐᵗ by John Arrowsmith, 10 Soho Square.
Ordered to be Printed June 2ⁿᵈ 1841.


139
Cougar Range
Dawn Hill
Ground Range
31
32
29
28
22
21
20
P
H


140
141
33
34
M. Pullen
H A W D O N
P L A I N S
R. Murray
R. Murray
R. Lindesay
20
broken

PORT GAWLER

Encloses

Spotted Surveys

Gawler Bay

Waterloo Bay

Port Adelaide

Light House & Pilotage Station

Hindmarsh I.

L. ALEXANDRINA

Lacustris

Encounter Bay

Victoria R.

138

139

35



Map shewing
THE SPECIAL SURVEYS
in
SOUTH AUSTRALIA,
to the Eastward of the
GULF OF S.T VINCENT:
from Lat. 33.° to 35.° 40' S.
from documents in the Survey Office
Adelaide.

John Arrowsmith
10 Soho Square

140

141

33

y Arrowsmith 10 Soho Square

APPENDIX TO REPORT FROM SELECT COMMITTEE ON SOUTH AUSTRALIA.

of the District of

ADELAIDE,

shewing the application of the Running Survey to that locality.

NB. THE WATER SECTIONS ARE COLORED TO SHEW THEIR INCREASED EXTENT.

Standidge & Co. Litho. London.

Robt. Dawson
Capt. R.E. Surv.

Scale of Miles.



Ordered to be Printed, 21st June, 1841.

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[Third Examination.]—Statement of assets and liabilities of the bank of South Australia, 1683——Mode of conducting the business, 1684. 1693–1711. 1807–1838——Importance of the bank to the colony, 1690——Rate of interest, 1696–1728——Commerce and shipping of the colony, 1733–1737——Natural productions; copper, slate, &c. 1737–1746——Effects of Colonel Gawler's expenditure, 1762–1768——Capabilities of the colony for population, 1770——Demand for capital and labour 1771–1776. 1786–1791. 1884——Horses, provisions, cattle, &c. 1776–1779. 1856–1858——Abandonment of Kangaroo Island, 1792——Rapidity of the emigration; its causes and consequences, 1793–1798——Necessity of replenishing the emigration fund, 1799–1804——Assistance given to farmers by the company, 1842——Wages in the colony, 1860–1864——Navigation of the River Murray, 1870——Religious and moral condition of the settlers, 1875–1878.

[Fourth Examination.]—The existence of the aborigines is not recognised in the South Australian Act, and no measures can be adopted for the amelioration of their legal state without altering the Act, 2408——Their present condition; protection and assistance given by Government; labours of the missionaries; teaching of native children at Adelaide; their language, 2409–2413——The Big Murray tribe; their numbers, and decrease from disease, 2414–2416——Location and labours of the German missionaries, 2416——Extract from journal of J. Backhouse, and a letter from Mr. Stow on the state of the natives, *Ev. p.* 217, 218——Practices amongst them similar to those of the Jews; their superstitions, 2417–2419——Means suggested by the missionaries for civilizing them, 2419——They have been dispossessed of lands on which they were distinctly located, 2420–2435.

The

Reports, 1841—*continued.*

Angas, George Fife, Esq. (Analysis of his Evidence)—continued.

The suggestion in the First Report of the commissioners, that a proportion of the land should be given to the natives could not be carried into effect without violating the law, 2436–2439——Land should be appropriated to the use of the natives, in no case to exceed one tenth of the unsold lands, and to be granted in proportion to their numbers, and disposition to cultivate, 2441–2444——Means proposed for advancing them in civilization, and amalgamating them with the white population, 2444, 2445——The natives have in no case taken to drinking spirits; distillation in the colony has been prohibited, 2446.

Angas, George Fife., Esq. The commissioners could have obtained money through Mr. Angas, at 10 per cent. before they applied to the Bank; but the refusal of the Bank injured the credit of the colony, *Torrens* 241–245. 262——He retired from the commission, as he was about to make extensive purchases of land, and to enter into pecuniary transactions with the Board, *Torrens* 3096–3099——Paper delivered in by George Fife Angas on 4th March 1841, *App. p.* 197–199——Correspondence in the latter part of 1835, respecting the resignation of the office held by George Fife Angas as one of the Commissioners for the Colonization of South Australia, *App. p.* 197–199——Paper delivered in by George Fife Angas, 18th March 1841, *App. p.* 205–207.

Appointments to Offices. List of proposed appointments for South Australia, as submitted by Colonel Torrens to Lord Glenelg, in letter dated 14 December 1835, *App. p.* 55.—— Extract of a despatch from the secretary of the Colonization Commissioners for South Australia to the Resident Commissoner, dated 31 May 1839, stating the commissioner's approval of the steps hitherto taken by him with regard to certain official appointments, the state of the surveys, &c. *App. p.* 241.

Area of South Australia. The area of South Australia is 310,000 square miles, and contains upwards of 198,000,000 of acres; it is in point of extent a very fair rival to the kingdom of France, *Elliot* 733.——*See* also *Surveys.*

Assets and Liabilities of the Commissioners. Statement of the assets and liabilities of the colony for the years 1840–1841, with explanations, *Torrens* 38——Explanation of the financial state of the colony in January 1840, and of the subsequent liabilities and assets, *Torrens* 75——This statement reconciled with that made in the Fourth Annual Report of the Commissioners, *Torrens* 76, 77——Amount of cash in the hands of the treasurer, exchequer bills in hand, and balance in the hands of the Australian Company, on the 1st July 1840; the liabilities had increased, *Torrens* 75——State of the finances of the colony 1st January 1841; amount of debts; if the accounts were now wound up there would be a deficiency of 170,000*l.* *Torrens* 97–103——With 210,000*l.* the commissioners would be able to fulfil all existing liabilities, and carry on the affairs of the colony on its old principles, *Elliot* 611-613——Statement of the surplus of assets in the hands of the commissioners in each month of last year to July 1840, *Elliot* 917–919——Until August 1840 the commissioners had always money to meet the claims of the ensuing months, *Elliot* 618.

Statements of assets and liabilities, exclusive of all bills of exchange not already accepted, *App. p.* 104, 105——Assets and liabilities of the Colonization Commissioners for South Australia, 1 March 1841, *App. p.* 191——Monthly assets and liabilities of the commissioners, January to June 1840, *App. p.* 274, 275.

See also *Financial Embarrassments of the Colony.*

Assets and Liabilities of the South Australian Bank. Statement of the notes of the South Australian Bank 30th September 1840; amount of assets and liabilities, *Angas,* 743, 744——Examination as to the assets and liabilities of the bank of South Australia on 30th September 1840, *Angas* 1807–1823——The returns made in this country by the bank of South Australia only show the general state of assets and liabilities; the colonial returns give the details of each branch to the local government, *Brownrigg* 1994–1998.

Auction in the Sale of Lands. This mode of sale recommended by the Committee, *Rep. p.* xi–xvi. xxi——If the principle of auction had been adopted in South Australia, the land sales would not have exceeded their present amount, *Wakefield* 2612——The principle of auction has been adopted by the United States, but witness has become convinced that a uniform price is preferable, *Wakefield* 2611——Half the town of Adelaide was sold by auction, and the average price obtained by Government was 6*l.* per acre, *Wakefield* 2660——If Government is to found a town, it ought to get a premium for favourable portions, by auction, *Wakefield* 2662——Except in the case of towns and suburban lands, auction is contrary to the principle upon which the sale of land is founded, viz. the obtaining a sufficient price to secure hired labour for the land, *Wakefield* 2662, 2663——Inconveniences attending a system of auction, in addition to the objection in point of principle; hardship on persons of experience and capital who have discovered good spots, at some expense, to be outbidden by others, *Wakefield* 2664–2669——In order to realize as large a fund as possible for the expenses of a new settlement, auction might be introduced, but with care that the labourers are not taxed too much by it, *Wakefield* 2677–2681.——*See* also *Land Sales. Price of Land.*

Reports, 1841—*continued.*

Audit, Commissioners of. Letter from the Commissioners of Audit to the Lords of the Treasury, conveying their opinion as to the personal responsibility of the South Australian Commissioners, *App. p* 51.

Auditor-general. Instructions to the Auditor-general in South Australia, *App. p.* 236–238.

Australasia, Bank of. The amount of their capital is about 800,000 *l.* or 1,000,000 *l.*, the whole of which is paid up, *Angas* 558, 559——Half-yearly return of the average weekly amount of the liabilities and assets of the Bank of Australia, in the province of South Australia, from 15th October 1839, to 13th April, both inclusive, *Ev. p.* 185——The capital of the bank is employed at the different branches in such proportions as is found necessary, *Brownrigg* 2002–2005——The appropriation is left to the director-general, *Ib.* 2010–2012——Total subscribed capital besides deposits, *Ib.* 2007–2009——More capital might be profitably employed, *Ib.* 2013——As far as witness is able to judge, a sufficient capital has been appropriated to South Australia, *Ib.* 2014–2018.

The head-quarters of the director-general are at Sydney, but it is his duty to go round occasionally, *Brownrigg* 2035——The directors have made no profit from the branch in South Australia, *Ib.* 2049——Extract from a letter of the inspector of the Australasian Bank, expressing doubts as to the expediency of establishing a branch in South Australia, *Ib.* 2050, 2051——The success at Adelaide is not equal to that experienced at Sydney, Hobart Town, and Launceston, but is sufficient to encourage the directors to persevere, *Ib.* 2053–2055——A profit would now be yielded upon the capital but for the great blow to credit in the colony, *Ib.* 2055——Expenses of the establishment; rate of salaries compared with England, *Ib.* 2056–2060.

The directors were applied to by the Colonization Commissioners to grant a credit in favour of their commissioner at Adelaide, upon their guarantee, *Ib.* 2070——Form of guarantee drawn by the Colonization Commissioners for South Australia, for the Australasian Bank when established at Adelaide, at the desire of the governor, *Ib.* 2071——The bank is much upon the Scotch system, *Ib.* 2119——It is bound by charter to furnish returns to Government, *Ib.* 2120.

See also *Banks in South Australia. Bullion. Deposits.*

B.

Backhouse, James. Extracts from the journal of James Backhouse, South Australia, on the state of the natives, *Ev. p.* 217, 218.

Banks in South Australia. Banks in South Australia, and by whom managed, *M'Shane* 1546–1554——A bank was established on the arrival of the first detachment, *Angas* 364——The banking operations in the colony have been conducted on sound principles, and the paper issues have been in proportion to the capital, *Angas* 571–583.——It is impossible to go into that minute and critical examination of a banking establishment in South Australia which it would admit of in this country, *Ib.* 129——The banking business has been conducted with a certain degree of looseness, which is not quite analogous to the practice in this country, but which is allowable in a new colony, *Brownrigg* 2020–2023——On account of the dishonour of the Governor's bills, there will be a necessity for the stoppage of the banks, as they cannot expose themselves to an issue of bullion to the extent of the demand in such a crisis, *Angas* 420.

See also *Australasia,* Bank of. *Bank of South Australia.*

Bank of England. (Negotiatons relative to a Loan.) The Bank of England were not satisfied with the Government guarantee; Sir John Rae Reid said the Bank would be willing to lend the money if Government would pledge their responsibility to repay at a certain time, *Torrens* 236–240——The refusal of the Bank was conveyed by letter, without assigning reasons; the grounds of their refusal were collected from a conversation with Sir J. R. Reid, *Ib.* 246–253——The Treasury Minute and Lord John Russell's instructions were read to the Governor and Deputy-governor of the Bank by authority of the Chancellor of the Exchequer, *Ib.* 257, 258, 266, 267——During the negotiation respecting the loan of 120,000 *l.*, it was understood the matter would be arranged, but some misunderstanding arose between the Chancellor of the Exchequer and the Bank as to the precise nature of the guarantee, *Ib.* 259–261——The ground upon which the negotiation was broken off is not exactly known, *Ib.* 263–265——Statement of the whole proceedings with respect to the proposed loan of 120,000 *l.*, contained in a letter to Lord J. Russell, 6th January 1841, *Ib.* 269——A communication was received from the Treasury after the failure of the negotiation with the Bank of England, stating that nothing further could be done, except to apply to Parliament without delay, *Ib.* 270–273——When the commissioners did not succeed in obtaining a loan from the Bank, they reported their failure to the Secretary of State, *Ib.* 232–235.

Statement

Reports, 1841—*continued.*

Bank of England—continued.

Statement of the communications that took place between witness, the South Australian Commissioners, and the Bank of England, with reference to a loan which the Commissioners were anxious to obtain, *Chancellor of the Exchequer* 331——The Commissioners were recommended by witness first to apply privately to the Governor or Deputy-governor with respect to the loan; private letter addressed by witness to the Governor, to be laid before the committee of the treasury of the Bank, stating the whole circumstances of the application, and the views and intentions of the Government; reply of Sir Henry Pelly, and subsequent explanations, *Ib.* 331——Official letter of the Commissioners to the Bank, 26th Nov. 1840, requesting temporary accommodation to the extent of 90,000*l.* in instalments, to be repaid when the loan which they were empowered by their Act to raise should be obtained, *Ib.* 332——The letter of the Commissioners to the Bank respecting the loan was corrected, so as to meet witness's views, leaving the nature of the guarantee on his part to be determined between himself and the Bank, *Ib.* 333-336——Interview, in which witness declined to pledge himself, as desired by the Bank, to propose a guarantee for a loan of 200,000 *l.*, whatever might be the recommendation of a Select Committee, *Ib.* 337——The Commissioners' letter was forwarded to witness by the Bank, with a letter stating the willingness of the Bank to advance the money, provided the security offered were satisfactory; witness's reply thereto, *Ib.* 337——Interviews and correspondence with the Bank as to the nature of the guarantee, and its dependence upon the decision of Parliament, *Ib.* 338-341——Witness cannot understand that the Bank could have any real doubt as to repayment, *Ib.* 343——The Bank desired witness to promise repayment by raising a loan of 200,000 *l.*; but all that was requisite was a promise of repayment; in what manner did not concern them, *Ib.* 346——Witness was unwilling to be interfered with in the course he might recommend to Parliament by any pledge as to the precise mode of repaying the advances of the Bank, *Ib.* 352——Witness expected that the Bank would not have been unwilling to make the advance, and was very much surprised at their refusal, *Ib.* 353.

Witness was authorized by the South Australian Company to offer 50,000 *l.* on debentures for six months, but was told by Colonel Torrens that an arrangement had been made with the Bank, *Angas* 440-445——After the refusal of the Bank, witness endeavoured again to get the 50,000 *l.* offered by the South Australian Company on debentures, but the parties had then invested their money, *Ib.* 451-455.

Bank of South Australia. Statement of the liabilities and assets of the Bank of South Australia in the province of South Australia on 30th September 1840, *Ev. p.* 155——The bank has been of great value to South Australia as a new colony, by being a secure place of deposit for the property of the colonists, having strong rooms and safety chests, *Angas* 1690——Practice of the bank with regard to discounts; their transactions with respect to the Emigration Fund, *Ib.* 1693-1711——The transactions of the South Australian Company's Bank are kept wholly distinct from the other transactions of the company, *Ib.* 767——The Board of Directors of the South Australian Company intend to alter the whole constitution of the bank by separating it entirely from the land company, *Ib.* 1827——Mode of managing it, *Ib.* 1828-1833——It is unquestionable that the South Australian Company's bank has the confidence of the public there on account of its long establishment, *Ib.* 1843.

See also *Australasia*, Bank of. *Banks in South Australia.*

Baring, F. Letter from F. Baring to J. Stephen, dated 7th October 1836, relative to the control of the Government over sums to be raised by the Colonization Commissioners, and proposed amendment of the Act, *App. p.* 67.

Barossa Range. There is a tribe of aborigines at the Barossa Range, consisting of above 100 persons, *Angas* 2411.

Barter. In consequence of the dishonour of the Governor's bills, there will be a cessation of all trade, except in the way of barter, *Angas* 420.

Beef. In 1838 and 1839, the price of beef in the colony was 1 *s.* per pound, *Fell* 2860.

Big Murray Tribe. The Big Murray Tribe, which is included within the colony, is the tribe which destroyed the crew of the Maria; they are a most ferocious set of men, with whom the colonists have not come much in contact, *Angas* 2414——Their number is from 200 to 400; it is a tribe that is fast decreasing; they are afflicted with the venereal disease in the most awful manner, *Ib.* 2415——The Big Murray tribe is placed in circumstances unfavourable to civilization, but, nevertheless, the missionaries are determined to make an attempt to reach them, *Ib.* 2416——The missionaries have arranged with Pastor Kavel, who is the German minister, to remove some of the German families into the interior, where they may have communication with these people, and to attempt the formation of a missionary village immediately adjoining the native district, *Ib.* 2416.

Reports, 1841—*continued.*

Bills drawn by Colonel Gawler:

1. *Bills drawn in* 1840.
2. *In* 1841.
3. *Total Amount necessary to meet them.*
4. *How far anticipated.*
5. *Consequences likely to ensue from the Discredit of the Bills.*
6. *Parties by whom held, and at what Period the Protested Bills would reach the Colony.*
7. *Papers laid before the Committee.*

1. *Bills drawn in* 1840:

On the 14th April 1840, bills drawn by the Resident Commissioner had been accepted to an unusual amount, *Torrens* 75——Amount incurred by the chartering of 14 emigrant ships, and extraordinary amount of drafts presented for acceptance from the 1st of January to the end of June 1840, *Ib.*——The first bill was refused acceptance on the 10th September 1840; steps taken by witness to inspire confidence; communications with the Commissioners and with Government, *Angas* 423–427. 429, 430——Up to the 3d November 1840, no bill had actually been returned to the colony protested for non-payment, *Ib.* 428——In August 1840, an apprehension arose that too many bills might be presented for acceptance, as Colonel Gawler said he could neither reduce his expenditure nor increase his revenue, *Elliot* 630–633——The second bill drawn by the Governor for 3,000 *l.* was refused acceptance by the Commissioners in November last, *Brownrigg* 2071, 2072.

2. *In* 1841:

In January 1841, 40,000 *l.* of bills drawn by Colonel Gawler had been refused acceptance; 20,000 *l.* more are expected before he receives instructions not to draw, *Torrens* 104–109——Date of the first bills refused by the Commissioners, *Ib.* 256——The first bills were refused acceptance within a week of the end of August 1840, *Elliot* 625.

3. *Total Amount necessary to meet them:*

£. 120,000 would have covered all Colonel Gawler's bills, and would have left a surplus, *Torrens* 223, 224.

4. *How far anticipated:*

The bills came without any explanation or notice, *Torrens* 206–209——Witness believed that Colonel Gawler had taken the right course in incurring an extraordinary expenditure, and that the Commissioners would be able to meet his bills, *Angas* 468, 469——In June 1840 anxiety existed in the colony lest Colonel Gawler's expenditure had been too great, and lest he should be unable to get his bills discounted, *Ib.* 470–474.

5. *Consequences likely to ensue from the Discredit of the Bills:*

The distress in the colony occasioned by the dishonour of the bills will be very urgent; danger of a famine, as they depend upon imported food, and have lost credit, *Torrens* 274, 275——A great shock would have been given to the colony previously to the non-acceptance of the bills being known there, by the instructions received by Colonel Gawler in November to stop drawing bills, and to suspend the public works, *Ib.* 285——The evil arising from the dishonour of the bills, will increase, the longer the remedy is delayed, *Angas* 422——Very serious evil will arise in consequence of the non-acceptance of the Governor's bills, *Ib.* 419——Nearly all mischief would still be prevented if intelligence could be sent out that Government have afforded the means of paying the Governor's bills, *Ib.* 475–477.

6. *Parties by whom held, and at what Period the Protested Bills would reach the Colony:*

The discredit would commence four months after the sailing of the ships, probably about Christmas, taking out the first protested bill, *Torrens* 276–284——Very few protested bills have yet been returned to the colony, but the holders of them have nearly lost patience, and dread the responsibility of holding them any longer, *Angas* 478–502——It is probable that the great majority of the holders of protested bills have not returned them to the colony, considering that they have a strong claim upon the Government, *Elliot* 739——The consequences of returning bills would be very injurious, and the holders appear now to have a chance of some decision in their favour, *Ib.* 740–742——There is a disposition amongst the holders of bills to wait longer, in expectation of the matter being concluded, *Angas* 749–751——The company hold some of the protested bills; the return of them to the colony would injure the company by reason of the distress that would be occasioned, *Wheeler* 801–804.

The bills have been protested, to comply with the law, but they have been retained, and attested copies sent to Australia, *Wheeler* 805——The company held protested bills to the amount of 2,500 *l.* *Ib.* 808–809——If nothing is done shortly, the company will have no alternative but to return the bills and come upon the indorsers, *Ib.* 810–812— The company's indorsement is not to be found upon any of the Governor's bills except those they

Reports, 1841—*continued.*

Bills drawn by Colonel Gawler—continued.

6. *Parties by whom held, &c.*—continued.

they hold themselves, *Angas* 1711——The bills are still retained in this country on account of the strong expectation that they would be paid, and from a belief that it would be quite useless to return them, *Brownrigg* 2073, 2074——None of the merchandize imported from England has been paid for in Government bills, *Angas* 1755–1760——Many of the parties from New South Wales who had brought over stock to the colony, have sold the stock for cash, and with that cash they must have purchased the Governor's bills, *Angas* 1755——All the bills discounted at Adelaide have been punctually paid except those of the Governor, which have been all dishonoured, *Brownrigg* 2066–2068.

7. *Papers laid before the Committee:*

Statement of all bills of exchange drawn by the authority of Colonel Gawler since his arrival in the colony, and which have been either signed or countersigned by himself, *App. p.* 172–177——Bills accepted and paid at maturity; by whom drawn; date of the bill; when presented; when due; amount, *App. p.* 172–177——Statement of bills drawn from the colony each three months, from January 1836 to September 1840, *App. p.* 192——Bills drawn from South Australia which have been presented in the months from January 1840 to February 1841, both inclusive, *App. p.* 192——Extract of a despatch from Colonel Gawler to the Secretary of the Colonization Commissioners for South Australia, dated 18th July 1839, referring to certain bills which he had advised, *App. p.* 251.

Extract of a despatch from Colonel Gawler to the Chairman of the Colonization Commissioners, dated Adelaide, 30th February 1840, respecting the aid to the sale of the colonial treasury's bills, consented to be given by the manager and cashier of the Bank of South Australia, in consideration of a commission of 10*s.* per 100*l.*, *App. p.* 260——Letter from the Colonization Commissioners to Colonel Gawler, dated 8 July 1840, respecting their proceedings with regard to the bills drawn by him, *App. p.* 260, 261——Letter from the Colonization Commissioners to Colonel Gawler respecting the information in letters of advice upon bills drawn by him, *App. p.* 261, 262——Letter from the Colonization Commissioners to Colonel Gawler, dated 14th September 1840, stating their reasons for having for the last fortnight refused acceptance of all bills whatever, *App. p.* 262.

Letter from Colonel Gawler to Robert Torrens, dated Adelaide, 4 April 1840, respecting the method of drawing bills upon the Colonization Commissioners, *App. p.* 263——Letter from the Colonization Commissioners to Colonel Gawler, complaining of his having left, in consequence of his departure for Port Lincoln, power with the treasurer to draw bills to the amount of 20,000*l.*, *App. p.* 264——Bills drawn in the colony each three months, being in completion of Statement No. 2, delivered in by Mr. Elliot, on 5 March 1841, *App. p.* 331.

Boarding-houses (Adelaide). In 1839 single men in a boarding-house had their board and lodging for 1*l.* 5*s.* per week, *M'Shane* 1411.

Boundaries of South Australia. It would not be necessary to extend the boundary in order to raise the resources of the colony, *Angas* 550——Witness's objections to any extension of the boundaries of South Australia; authorities cited to show the immense extent and fertility of the country already comprised within its limits, *Elliot* 731–736.

Bread. In 1838 bread, very bad, was 6*d.* per lb. in the colony, made from damaged flour, *Driver* 2491.

Brownrigg, John Studholme, Esq. M. P. (Analysis of his Evidence.)—A director of the Chartered Bank of Australasia, which has a branch in South Australia, 1992, 1993——The returns made in this country only show the general state of assets and liabilities; the colonial returns give the details of each branch to the local government, 1994–1998——Last half-yearly return of assets and liabilities of the branch at Adelaide, 2000——The capital of the bank is employed at the different branches in such proportions as are found necessary, 2002–2005——The several branches enumerated, 2006——Total subscribed capital beside deposits, 2007–2009——The appropriation of the capital at different branches is left to the director-general, and there is also a local direction of merchants at each branch, 2010–2012——A great deal more capital might be profitably employed, 2013.

As far as witness is able to judge, a sufficient capital has been appropriated to the use of South Australia, 2014–2018——The increase of banking business there has been very gradual, 2019——The business has been conducted with a certain degree of looseness which would not be permitted in this country, but which is allowable in a new colony, 2020–2022——This is more the case in South Australia than in older colonies, 2023——In London it is not thought safe to discount paper beyond 90 days; it is not found practicable to adhere strictly to this rule, even at Sydney, 2024–2026——When the local directors deviate from it, they are regulated by their knowledge of individuals, 2027.

About two-thirds of the discounts at Adelaide are for 90 days, the remainder for six months, which is rarely exceeded, 2028–2030——In London there are deviations from the practice of discounting only for three months, but they are more frequent and open in

Reports, 1841—*continued.*

Brownrigg, John Studholme, Esq. M. P. (Analysis of his Evidence)—*continued.*

in South Australia, 2031–2034——The head quarters of the director-general are at Sydney, but it is his duty to go round occasionally, 2035——The prohibition in the charter from making advances on land is beneficial both to the bank and to the colony, 2036–2038——It would be the height of imprudence in a bank to lock up its funds in landed securities, 2039, 2040——It may be desirable for land-owners to raise money on mortgage, but to a bank such security is most unsatisfactory, 2041——If banks were to make advances upon such security they would encourage land-jobbing, which is pernicious to the colony, 2042–2044.

Bills are discounted according to the credit of the names upon them, without reference to the transactions they may represent, 2046, 2047——The directors have made no profit from the branch in South Australia, 2049——Extract from a letter of the inspector of the Australasian Bank, expressing doubts as to the expediency of establishing a branch in South Australia, 2050, 2051——In 1839, the expenses exceeded the profits by one-half; last year, the profits paid all the expenses, and nearly equalled the deficiency of the preceding year, 2051, 2052——The success at Adelaide is not equal to that experienced at Sydney, Hobart Town, and Launceston, but is sufficient to encourage the directors to persevere, 2053–2055——A profit would now be yielded upon the capital but for the great blow to credit in the colony, 2055.

The whole expense of the establishment at Adelaide, including house-rent, is about 1,500*l.*, 2056, 2057——The rate of salaries is high, as compared with England, 2058, 2059——Salaries and expenses in proportion to the establishment at South Australia have been allowed, 2060——It has been apprehended lately that there has been over trading in the colony, 2061——The exchange operations between the colonies generally and England, and between the colonies themselves, in which the bank has been concerned, show that capital in South Australia has increased very much; facts upon which this opinion is founded, 2062——These operations have not arisen out of commercial transactions, but have been the transfer of property, 2063, 2064——Very little capital has come to South Australia from other colonies, with a view to a permanent investment, 2065.

All the bills discounted at Adelaide have been punctually paid, except those of the Governor, which have all been dishonoured, 2066–2068——The directors were applied to by the Colonization Commissioners to grant a credit in favour of their commissioner at Adelaide, upon their guarantee, 2070——Form of the guarantee; the credit was transferred to the Adelaide branch when established, at the desire of the Governor, 2071——The second bill drawn by him, for 3,000*l.*, was refused acceptance by the commissioners in November last, 2071, 2072——The bills are still retained in this country, on account of the strong expectation that they would be paid, and from a belief that it would be quite useless to return them, 2073, 2074——Ten per cent. per annum is the rate of discount on three months' bills, and 12 per cent. on bills of longer date, with a view to discourage the latter, 2075–2083.

The bank issues no promissory notes lower than 1*l.*, 2084–2089——Small quantity of notes issued, in proportion to the circulation, in all the Australian colonies; no pains are taken either to increase or limit the issue, 2090–2098——It is a wholesome regulation that no notes should be issued below 1*l.*, 2099–2101——The amount of notes in circulation at Adelaide has hardly increased in proportion to the discounts, 2102——Amount of deposits; classes into which they may be divided, and rate of interest allowed on each class, 2103–2108——Charges upon overdrawn accounts, 2109–2111——The general rule is to maintain from one-third to one-fourth of the whole paper circulation and liabilities of the bank in the precious metals, 2112–2116——Exchange operations form a legitimate business for colonial banks, 2117, 2118——The bank is much upon the Scotch system, 2119——It is bound by charter to furnish returns to Government, 2120.

Bullion. The general rule of the Australasian bank is to maintain from one third to one-fourth of the whole paper circulation and liabilities of the bank in the precious metals, *Brownrigg* 2112–2116.

Burials. The aborigines have a practice similar to the Jews, which is loud lamentations over the dead, *Angas* 2417.

Butchers' Meat (South Australia). Butchers' meat was as low as 6*d.* or 7*d.* a pound, *Angas* 418.

C.

Canada. The cost of clearing land in Canada is from 4*l.* to 5*l.* per acre, *Whitmore* 906.

Capital in South Australia. Statistics of South Australia drawn up by Mr. Angas, showing a capital of 2,506,840*l.* in the colony, produced in order to prove the power of repaying advances, *Whitmore* 900, 901——Necessity of having capital at the first establishment of a colony; success of South Australia mainly attributable to the South Australian Company

Reports, 1841—*continued.*

Capital in South Australia—continued.

Company and their admirable management, *Whitmore* 907, 908——There are several settlers having considerable capital, *M'Shane* 1603–1609——The introduction of capital in the colony has created a demand for a still further supply, *Angas* 1771–1773——A large proportion of capital, though it will turn to a good result in the end, has been from necessity injudiciously applied, *Angas* 1780–1790, 1791——The capabilities of the province are immense, but capital must come to bring them into effect, *Angas* 1884——The exchange operations between the colonies generally and England, and between the colonies themselves, in which the Bank has been concerned, show that capital in South Australia has increased; facts upon which this opinion is founded, *Brownrigg* 2062——Transactions out of which these operations have arisen, *Brownrigg* 2063, 2064.——Very little capital has come to South Australia from other colonies with a view to a permanent investment, *Brownrigg* 2065.

Carpenters. In 1839, many found ready employment upon their arrival in the colony, at 12 *s.*, 14 *s.*, or 15*s.* a day, *M'Shane* 1408, 1409.

Cattle. In England there is one ox or animal to three persons, in South Australia there is one to each person, *Angas* 1777.

Chancellor of the Exchequer, Right hon. The. (Analysis of his Evidence.)—Statement of the communications that took place between witness, the South Australian Commissioners, and the Bank of England, with reference to a loan which the commissioners were anxious to obtain; the commissioners were recommended by him to apply first privately to the governor or deputy-governor; private letter addressed by witness to the governor, to be laid before the Committee of the treasury of the Bank, stating the whole circumstances of the application and the views and intentions of the Government; reply of Mr. Pelly, and subsequent explanations, 331.

Official letter of the commissioners to the Bank, 26th November, requesting temporary accommodation to the extent of 90,000 *l.* in instalments, to be repaid when the loan which they were empowered by their Act to raise should be obtained, 332——This letter was corrected so as to meet witness's views, leaving the nature of the guarantee on his part to be determined between himself and the Bank, 333–336——It was forwarded to witness by the Bank, with a letter, stating the willingness of the Bank to advance the money, provided the security offered were satisfactory; witness's reply thereto, stating that Government would feel themselves bound to recommend, in Parliament, a provision for the early repayment of the advances made by the Bank; interview in which witness declined to pledge himself, as desired by the Bank, to propose a guarantee for a loan of 200,000 *l.*, whatever might be the recommendation of a Select Committee, 337——Subsequent interviews, and correspondence with the Bank as to the nature of the guarantee, and its dependence upon the decision of Parliament, 338–341.

Witness did not shrink from the responsibility of recommending repayment by the appointment of a Committee, but thought that the best mode of considering the question in Parliament, 342–346——The Bank desired a guarantee of a loan of 200,000 *l.*, but all that was required was a promise of repayment; in what manner did not concern them, 346——The intervention of a Parliamentary Committee could not affect, one way or the other, the obligation which the Government would have undertaken, 347, 348.

Witness had no part in any transactions previous to the application of the commissioners to him, 350, 351——Witness was unwilling to be interfered with in the course he might recommend to Parliament, by any pledge as to the precise mode of repaying the advances of the Bank, 352——He expected that the Bank would not have been unwilling to make the advance, and was very much surprised at their refusal, 353——The Government would not have been pledged to any particular course if the commissioners had found persons willing to advance the money in the first instance, 354——A Committee might not have been satisfied with the expediency of having made an advance, but could not have recommended that public faith should be broken, 356.

Charter of Incorporation. A charter of incorporation to a company with a paid-up capital would have obviated all financial difficulties, *Hutt* 1188——Letter from R. Torrens to Lord Goderich, dated 9 July 1832, submitting draft of the proposed charter for the incorporation of the South Australian Company, *App. p.* 3–16——Draft of a proposed charter for the South Australian Commission, submitted by the provisional committee to the Right hon. E. G. Stanley, *App. p.* 26–33.

See also *Foundation of the Colony.*

Churches (Adelaide). Places of worship in Adelaide enumerated, *M'Shane* 1630–1635.

Circumcision. The aborigines practise circumcision; it is usually at the age of puberty; this rite is performed in a very solemn and superstitious manner; the youth is seized unaware and blinded before they proceed with their mystic evolutions; it is an initiative rite; afterwards the youths may eat opossum and kangaroo's flesh, and join in their councils of war, *Angas* 2417.

Reports, 1841—*continued.*

Civil Establishment of South Australia. Returns of the civil establishment of South Australia, distributed under the head of fixed salaries and contingencies, distinguishing police, marine, and miscellaneous expenses, on the scale of the last quarter of 1839, *Ev. p.* 131——Captain Grey is to report upon reductions of the establishment; the ordinary current expenses are 70,000 *l.* a year, the revenue 30,000 *l.*; the deficit is to be provided for, *Elliot* 1316, 1317.

Schedule of the proposed civil establishment, contained in letter from R. Torrens to Lord Glenelg, dated 14 March 1835, *App. p.* 55——The civil establishment in South Australia; office; salary and charges authorized; salary and charges actually paid; revenue; emigration; remarks; *App. p.* 147, 148.——*See* also *Establishment.*

Clearing Land. A higher price than 1 *l.* per acre might be taken, as the land is already cleared; cost of clearing land in Kangaroo Island, New Zealand and Canada, *Whitmore* 906.

Climate of South Anstralia. The climate is upon the whole salubrious; there was no epidemic disease or malaria, and the people had good health, *M'Shane* 1419, 1420—— In summer the temperature ranges from 70 to 105, and in winter is rarely under 40 or 50, *M'Shane* 1421–1426.

Clothing. The clothing used in the colony is all imported from England, *M'Shane* 1610–1612——Prices in South Australia, *App. p.* 246.

Colonial Treasurer. Instructions to the colonial treasurer of South Australia in regard to the receipt and expenditure of the public money, *App. p.* 234, 235.

Colonies. Abstract or description of certain powers granted by the Government of England to individuals or bodies corporate, for the foundation and government of colonies, *App. p.* 23.

Commerce of the Colony. There are very large mercantile transactions, a very extensive coasting trade, and a considerable foreign trade, *Angas* 1733——Number of vessels which had arrived from the neighbouring colonies since the establishment of the colony, and tonnage, *Angas* 1733.

See also *Adelaide Harbour.*

Colonization Commissioners, Board of. If the lands and emigration of the commission were managed by the Board of Colonization Commissioners, it would cost very little, *Elliot* 670–672——A distinct colonization Board for each colony would be preferable to one general Board for all colonies; the commissioners should be removable by the Colonial-office, *Hutt* 1171–1184.

Colton, William. Letter from, and from Charles T. Hewitt, dated Onkaparingo, South Australia, 2d Sept. 1840, giving a statement of facts experienced by them since their arrival in the colony, 19th December 1839, *Ev. p.* 46, 47.

Colonial Administration. There can be no doubt of the inexpediency of founding a colony upon precisely the same arrangements as those adopted in the case of South Australia, *Hill* 2278.

Commissioners for South Australia:

1. *Generally.*
2. *Papers laid before the Committee.*

1. *Generally:*

Remarks of the Committee upon their constitution and powers; errors in the Act, &c., *Rep. p.* iv–vi.

In ordinary cases the commissioners have no business to apply to Government for advice, but are bound to take the whole responsibility, *Elliot* 627–629——The report of the first commissioners, dated January 1840, was not actually signed till July 1840, *Torrens,* 165–172——The overdrawing was done by officers under the authority of the first commission, who cannot, however, be responsible as regards measures which would have been taken if the fact had been known in this country, *Torrens* 172–175——The former commission possessed in a great degree the public confidence, *Hutt* 1028—— Some of the members of the former commission had great commercial weight, which gave facilities to their pecuniary operations, *Hutt* 1029, 1030.

Each of the commissioners was required by Lord Glenelg to serve gratuitously, and to give six months' notice before they relinquished office, *Palmer* 1283——Amateur and dilletante nature of the commission; they were not bound to attend to their duties, *Wakefield* 2571——Some of the commissioners purchased land; discouragement of the practice by the Colonial-office; retirement of Mr. Angas, *Torrens* 3075-3084. 3096–3116.

Grounds upon which witness thought it necessary to draw up a separate letter to the Colonial Secretary, 17th September 1840, stating his own peculiar views, *Torrens* 595–597——Reasons which induced witness to dissent from a draft letter, of the 26th August 1840, on the state of the colony, *Elliot* 1362–1364——Letter which was agreed to by all

Reports, 1841—*continued.*

COMMISSIONERS FOR SOUTH AUSTRALIA—continued.

1. *Generally*—continued.

all the commissioners, *Elliot* 1365, 1366——On the 8th January 1840, a draft of a letter was read by Mr. Montefiore, expressly recognizing witness's former letter of the 9th December 1839, to Lord J. Russell, as the letter from the commissioners, *Torrens*, 1887——Copy of the final letter sent by the commissioners to Lord John Russell, *Ev. p.* 175, 176.

2. *Papers laid before the Committee:*

Letter from Colonel Torrens to Lord Aberdeen, dated 13 February 1835, submitting a list of the commission for approval, *App. p.* 49——Letter from George Palmer, dated 6 July 1835, signifying his wish that his son's name should be inserted in the commission instead of his own, *App. p.* 49——Letter from R. W. Hay to R. Torrens, dated 16 February 1835; question as to the responsibility of the commissioners, *App. p.* 49——Letter from R. Torrens to R. W. Hay, dated 2 March 1835, with Mr. Freshfield's opinion as to the personal responsibility of the commissioners, *App. p.* 50——Letter from R. W. Hay to Hon. J. Stewart, dated 7 March 1835, transmitting copies of two letters relative to the personal responsibility of the commissioners, for the consideration of the Lords of the Treasury, *App. p.* 51——Letter from Hon. J. Stewart to R. W. Hay, dated 4 April 1835, conveying the opinion of the Lords of the Treasury, and of Commissioners of Audit, as to the personal responsibility of the South Australian Commissioners, *App. p.* 51.

Letter from Mr. Secretary Grant to Colonel Torrens, dated 27 April 1835, approving the gentlemen named as the Colonization Commissioners, *App. p.* 52——Correspondence between the commissioners and the Colonial Office respecting the dissolution of the original commission, *App. p.* 81——Letter from Lord John Russell to the Colonization Commissioners, dated 23 December 1839, dissolving the commission and forming of a Board of three salaried commissioners for general purposes of land sales and emigration, *App. p.* 83.

Committals in South Australia. In 1839 the proportion of committals to the whole adult population was small, *M'Shane* 1576.

Committee of the South Australian Association. Letter from the Committee of the South Australian Association to the Right Hon. T. Spring Rice, dated 4 June 1834, urging upon him the necessity of Government speedily sanctioning the company's propositions, *App. p.* 38, 39.

Convicts. Persons who have come as a speculation from New South Wales have brought convicts with them, *M'Shane* 1565*——There are no means of excluding convicts or of apprehending them, except for crimes, or on a warrant from a magistrate in New South Wales, endorsed by a magistrate of South Australia, *M'Shane* 1577–1584——*See* also *Police Establishment.*

Convict Labour. New South Wales and Van Diemen's Land have derived great benefits from convict labour, *Wakefield* 2963–2972.——Critical state of New South Wales caused by withdrawal of convict labour and the insufficient supply of free labour by emigration, *Wakefield* 3022–3029.

Copper Mines. They had commenced working a mine on the Barossa Range, *Angas* 1738.

Corn Grown in the Colony. The Company have received specimens of grain of very superior quality, *Angas* 402——The growth of grain would be sufficient for a sixth or perhaps a fourth of the population, *Angas* 407——Some accounts state that 60,000 bushels were expected from the last harvest, which would be 12 months' consumption, *Angas* 408–410——It is expected that 60,000 bushels of wheat will be grown this year, or about half the supply of the colony, *Hutt* 1139–1145——Hitherto the colony has been obliged to import largely for its own consumption, *Angas* 411–414——In 1839 the colony did not grow sufficient corn for its own subsistence, *M'Shane* 1388——Witness expects the colony next year to produce enough for the whole consumption, *Angas* 415——There is a great export of wheat from Van Diemen's Land to South Australia, *Mann* 2167–2170.

The wheat and barley grown is of very good character, *Wheeler* 797–799——Proportion of corn grown in South Australia compared with England, *Angas* 1778, 1779——Forty bushels per acre grown in South Australia is a very fair proportion, *Angas* 1779——The only crop of wheat witness saw was about two acres, and so thin that it was mowed with a scythe and raked up by a labourer; it was said to be some of the best land in the colony, *Mann* 2174. 2183–2186.

Counsels' Opinion. Opinion of the Attorney and Solicitor General on a case submitted to them as to the control of Government over sums to be raised by the Colonization Commissioners under 4 & 5 Will. 4, c. 95, *App. p.* 66.

Reports, 1841—*continued.*

Crime in the Colony. A large proportion of the persons charged with offences in South Australia are either runaway convicts or time-expired men, *Elliot* 702–704.

See also *Committals. Police Establishment.*

Cultivation of the Soil. Until last harvest there was but little cultivation, *Torrens* 302——The land under cultivation was about 2,000 acres, but will be much increased in the present year, *Wheeler* 791——The South Australian Company have entered into an agreement with one party to lease 2,000 acres for tillage at 4*s.* 6*d.* an acre, with a power of redemption within seven years, at 3*l.* 10*s.* an acre, *Wheeler* 792–796——The company have advanced money to the farmers they have sent out, as an inducement to them to cultivate; the manager has exceeded the amount stipulated, *Wheeler* 796——The extent of enclosed and farming land is caused by the encouragement given to the farmers and by the good crops, *Wheeler* 800——One section was under cultivation when witness was in the colony, and the wheat and potatoes were up and looked promising, *Trimmer* 1219–1222——The land under cultivation in 1839 was laid down in the usual manner for wheat, barley, and oats, and some potatoes, *M'Shane* 1384——There is not much land in cultivation at a distance from Adelaide, *M'Shane* 1393–1397.

Currency. Payments were made in specie and paper; both were of equal value, and easily convertible, *M'Shane* 1479–1495.

Customs Revenue of the Colony. Probability of increased customs revenue, *Elliot* 1357–1361.

Customs and Wharfage Dues. Return of the amount of revenue raised from the customs and wharfage dues in South Australia from 1st January to 30th June 1839, *Ev. p.* 179——Similar return from 1st July to 31st December 1839, *Ev. p.* 179, 180.

D.

Debt of the Colony:

1. *Generally.*
2. *Papers laid before the Committee.*

1. *Generally:*

Remarks of the committee upon the debt and resources of the colony, *Rep. p.* x——Resolution thereon, *Rep. p.* xxi.

Amount of the whole colonial debt contracted by the commissioners on 1st January 1840, *Torrens* 47——The payment of the debt with interest could be effected by taxation of the colony if one-fourth of the emigration fund were applied to public improvements, *Angas* 532–546——Amount of the debt of the commissioners to people in England, who have either supplied them with goods or performed services, *Elliot* 611——A debt was contemplated in the case of South Australia, but only on the security of its own revenues, *Whitmore* 832–835——The colony will be able to pay the interest of its debt, and to pay off the debt by instalments, provided the control of the expenditure is placed in the hands of the colonists themselves, *Rundle* 1951.

2. *Papers laid before the Committee:*

Statement showing the debts chargeable upon the revenues of the colony, which would be due in England on the 1st May 1841, upon the assumptions contained in the Return of Ways and Means for the year 1840, marked (A.), required by Colonel Torrens, and providing also for the bills which have been estimated in the returns made to the House of Commons, *App. p.* 267——Statement showing the debt chargeable upon the revenues of the colony, which would be due in England on the 1st May 1841, "Assuming the Expenditure as per 'Ways and Means' for 1840, marked (A.), and that the Loan of 155,000*l.* is received from the Government, instead of the Loan of 120,000*l.*, as assumed in that Statement," and providing also for the bills which have been estimated in the returns made to the House of Commons, *App. p.* 275.

Depasturing of Cattle. Mode of inspecting the interests of persons having licenses, in the sale of lands, suggested, *Rep. p.* xv. xxiv.——A fund might easily be obtained by a payment per head for the depasturing of cattle and sheep, which is now arranged by a payment per square mile, but from which nothing has hitherto been received, *Whitmore* 836.

Deposits (Bank of Australia). Amount of deposits; classes into which they may be divided, and rate of interest allowed upon each class, *Brownrigg* 2103–2108.

Discounts. Bills before discount are carefully considered by the South Australian Bank, and accommodation bills for land or otherwise, of an objectionable nature, are carefully excluded, *Angas* 1684——In London it is not thought safe to discount paper; it is not found practicable to adhere to this rule even at Sydney, *Brownrigg* 2024–2026——When the local directors of the Australian Bank deviate from it, they are regulated by their knowledge of individuals, *Brownrigg* 2027——About two-thirds of the discounts at Adelaide are for 90 days, the remainder for six months, which is rarely exceeded, *Brownrigg* 2028–2030——In London, there are deviations from the practice of discounting

Reports, 1841—*continued.*

Discounts—continued.

ing only for three months, but they are more frequent in South Australia, *Brownrigg* 2031–2034——Bills are discounted according to the credit of the names upon them, without reference to the transaction they may represent, *Brownrigg* 2046, 2047——Ten per cent. per annum is the rate of discount on three months' bills, and 12 per cent. on bills of longer date, with a view to discourage the latter, *Brownrigg* 2075–2083.

Diseases in the Colony. Diarrhœa and dysentery are the most prevalent diseases, *M'Shane* 1427——Some of the emigrants are attacked with diarrhœa and dysentery on arriving, chiefly on account of errors in diet; from July to December there is least disease among them, *M'Shane* 1429–1433——There is more disease at the beginning than at the end of summer, *M'Shane* 1440.——*See* also *Climate of South Australia.*

Driver, Thomas. (Analysis of his Evidence.)—Master in the Royal Navy; visited South Australia 1838, as commander of a ship called the Emerald Isle, 500 tons burden, and a draft of 15 feet of water, from Calcutta, bound to Swan River, Adelaide, Hobart Town, and Sydney, 2448–2453——Difficulty in finding and entering the harbour of Adelaide; there is a sand-bar across the whole mouth of the harbour, 2454–2474——The anchorage at the mouth of Adelaide Harbour is not safe between the months of March and October, being the winter months, 2475–2481——Difficulties experienced by witness in discharging his cargo, 2482–2485.

Condition of the town of Adelaide; house-rent was exorbitantly high, 2486–2490——Prices of various kinds of provisions, 2491, 2492——Difficulty experienced by witness in watering his ship on leaving the colony, 2493–2496. 2544–2549——Adelaide is inconveniently situated as a commercial port, 2498——There are no facilities for making a good port at the mouth of the harbour without a very heavy expense, 2499–2503——Name, number, tonnage, and draft of water of vessels in the harbour at the same time with witness; number of ships that would lie in the harbour at a time, 2504–2517——Depth of water over the bar; rise and fall of the tide, 2518 2524——Number of hours witness's vessel was aground, 2525——A ship that has delivered her cargo cannot get out of the harbour if there is a ship waiting astern of her to deliver its cargo, 2526–2532.

Witness has not claimed his grant of land in Van Diemen's Land or New South Wales, to which he is entitled as an officer in the navy, 2533–2535——Holdfast Bay is not a good roadstead, 2536–2538——The commanders of the other vessels were interested; they had all bought land in the colony, 2539, 2540——Manner in which witness got his vessel out of the harbour, 2541–2543——Manner of warping into the creek; breadth of the creek; depth of water in the centre; there was no room for a ship to swing, 2550–2558.

E.

Education in the Colony. Number of schools at Adelaide, and their description, *M'Shane* 1454–1460——In 1839 there were four or five day-schools in Adelaide, and several schools for young ladies besides, and a school for the natives, *M'Shane* 1454–1460——Report of the School Society at Adelaide; second and third heads of the plan, stating the principles upon which the schools have been established, *Ev. p.* 173.

Eggs. In 1838 eggs were sold at 8 *d.* a-piece in the colony, *Driver* 2491.

Electoral System. Recommended under certain restrictions, *Rep. p.* x. xx.

Elliot, T. Frederick. (Analysis of his Evidence.)—One of the Colonization Commissioners for South Australia since January 1840, 606–608——Puts in a statement in detail of their assets and liabilities, signed by the accountant, 609, 610——With 210,000 *l.* they would be able to fulfil all existing liabilities and carry on the affairs of the colony on its old principles, 611–613——A loan was not raised in the early part of the year, because it was not wanted, as the commissioners had a surplus arising from the emigration fund, 615–617——Until August they always had money to meet the claims of the ensuing month, 618——Emigration was always carried on as fast as was good for the colony, and only the surplus of the fund applied to revenue purposes, until the colony became insolvent, 620–623——A loan of 60,000 *l.* or 120,000 *l.* in June last would have been quite insufficient to avert the embarrassments, 623, 624.

In June the affairs of the colony became critical, and the commissioners thought it right to ask the advice of Government before they advertised for a loan, 626——In ordinary cases the commissioners have no business to apply to Government for advice, but are bound to take the whole responsibility, 627–629——In August an apprehension arose that too many bills might be presented for acceptance, as Colonel Gawler said he could neither reduce his expenditure nor increase his revenue, 630–633——The loan was not delayed too late to obtain it, but to the time at which it would not have been honest to take it, as the real state of the finances was then known, 634–637——A loan of 120,000 *l.* early last year would not have prevented the insolvency of the colony, 638–641——If they could have raised the money in July, they would have replenished the emigration fund before they paid their debts in this country, 642.

No emigrant ship has sailed since July, 643, 644——From November to January inclusive

Reports, 1841—*continued.*

Elliot, T. Frederick. (Analysis of his Evidence)—*continued.*

inclusive it is better not to send a large number of emigrants from the Channel, 646–648——Statements of the revenue in different quarters of 1839 and 1840, showing a progressive increase, 651–660——Complaints of Colonel Gawler as to the imperfection and disorder of the accounts of expenditure in the colony, 661——Details of expenditure; salaries to public officers; survey department, 663, 664——Propriety of charging the expense of the survey department upon the land revenues; to do this an Act of Parliament would be necessary, 664, 665——Salaries could not be reduced, but should rather be increased; some officers are very much underpaid; the judge receives only 500 *l.* a year, 665–668.

Half the expense of the establishment at home has been charged upon the colonial revenue, except clerks employed on emigration, 670——If the lands and emigration of the commission were managed by the Board of Colonization Commissioners, it would cost very little, 670–672——The permanent surveying staff might be maintained at an expense of 3,000 *l.* a year, exclusive of labour; this estimate confirmed by that of Captain Dawson, with reference to New Zealand, 673–681——A strong police force is necessary, and they are obliged to be mounted for the border stations; there are runaway convicts and disorderly sailors to protect the settlers from, 682–684——The police should be paid by some direct taxation, and the colonists would then keep just the force that was found necessary, 687——A considerable charge may still have to be incurred in public buildings; the state in which many are which have been commenced is still unknown, 688–693.

Colonel Gawler has spent money upon roads; but these should be made and supported by local assessments, or by contributions of labour, 694–697——Such a charge upon the revenue is quite unnecessary; in every colony the residents along the line ought to make the road, 698——If troops were sent to the colony, the police force would be equally required; it is found necessary in New South Wales, 700, 701——A large proportion of the persons charged with offences in South Australia are either runaway convicts or time-expired men, 702–704——Distinction drawn by Colonel Gawler between expenses which may be considered in the light of outfit, and such as are of an ordinary character, 705, 706——He was justified in departing in some degree from his instructions, but ought to have striven to keep within them, 706——The expenses of the Government-house and public offices were authorized, 707——The expenditure for stores may have been superfluous; there has certainly been great extravagance in the colony, 711–713——Captain Grey's salary is to be 1,000 *l.* a year, 714.

How far the revenue is likely to be injuriously affected by the curtailment of the government expenditure, 719——The interest upon the present debt of the colony or upon the proposed loan would be 16,000 *l.* a year, 720, 721——The security of the colonial revenue would be very deficient even to provide for the payment of the interest of the debt, 722, 723——The amount of the land fund will depend upon the general condition of the colony; a diminution of it would reduce the means of increasing the population, 724, 725——To stop emigration would destroy the country, but it may be a question whether one-half the land revenue might not be applied to the debt, 726, 727——Prospects of an increased revenue, 728–730.

Witness's objections to any extension of the boundaries of South Australia; authorities cited to show the immense extent and fertility of the country already comprised within its limits, 731–736——The land sales will not stop for want of sufficient good land, 737, 738——It is probable that the great majority of the holders of protested bills have not returned them to the colony, considering that they have a strong claim upon the Government, 739——The consequences of returning bills would be very injurious, and the holders appear now to have a chance of some decision in their favour, 740–742.

(Second Examination.)—Delivers in various statistical papers concerning the colony, 912–916——Statement of the surplus of assets in the hands of the commissioners, in each month of last year to July, 917–919——The commissioners would not have thought it wise to put the colony to a heavy expense for interest while they retained a large surplus in hand, 920, 921——Estimate of the revenue of South Australia as compared with the population; amount of taxation per head there, and in Van Diemen's Land, New South Wales, and Western Australia, 923–927——Some of the settlers are believed to have emigrated to New Zealand, and other colonies, 928–935.

Examination of the various items of Colonel Gawler's expenditure; charge for police as compared with New South Wales and Van Diemen's Land, 936–952.——The several items added together, amount to 52,000 *l.* per annum, 952–957——This expenditure compared with that of Van Diemen's Land, New South Wales and Western Australia, 958–963——Public buildings still remaining to be constructed, and probable expense, 964, 965——The general revenue ought not to provide for ordinary roads, but there may be roads which Government ought to assist in constructing, 965, 966.

Reports, 1841—*continued.*

Elliot, T. Frederick. (Analysis of his Evidence)—*continued.*

South Australia has been the only colony founded, governed, and protected without any charge to the mother country, 967-970——To the gross amount of expenditure must be added 16,000 *l.* a year, as interest of the debt, 971-974——By the third clause of the second South Australian Act, the commissioners are bound at the end of the year not to have a larger debt due to the Emigration Fund than one-third of the receipts during that year; to include the balance of former years in the receipts would be highly objectionable, 975-977.

[Third Examination.]—The land sales could not have fallen off in consequence of the change of commissioners, 1308——The circumstance of their having fallen off two months before is not explained by the season of the year, 1309——The causes explained by the commissioners themselves and by Colonel Gawler, 1310-1312——Returns of the civil establishment and emigration given in, 1313——Captain Grey is to report upon reductions of the establishment; the ordinary current expenses are 70,000 *l.* a year; the revenue 30,000 *l.*; the deficit is to be provided for, 1316, 1317——The Government could not permanently release the guarantee fund, but may consent to a temporary reduction of it; case of Captain Hindmarsh, 1322-1327——Correspondence with Mr. Freshfield, solicitor to the commissioners, as to the legality of raising money by bonds receivable in the colony for land, 1329-1335.

Hitherto the expense of surveys has been equal to the balance now due to the emigration fund; so that if the latter had been chargeable with them, there would be no fund for emigration, 1338-1342——The survey should be provided for out of the land sales before emigration, 1336, 1337. 1343-1345——Much land has been sold which is not yet surveyed, 1346-1348——Emigrants ought not to expect all the comforts and advantages of a long-settled country, 1349-1352——Wages of police compared with wages of labourers, 1353-1356——Probability of increased customs revenue, 1357-1361——Animadversions upon a passage in the Fourth Report of the commissioners, alluding to measures stated to have been in contemplation for placing the finances upon a stable foundation, 1362——Reasons which induced witness to dissent from a draft letter of the 26th August 1840 on the state of the colony, 1362-1364——Letter which was agreed to by all the commissioners, 1365, 1366.

[Fourth Examination.]—Calculation of the quantity of available land in South Australia; error of Captain Hart; discoveries at Lake Alexandrina and Spencer's Gulf, 3030-3037——The new settlement in Port Philip, close to South Australia, will be beneficial, 3038, 3039.

[Fifth Examination.]—Observations upon Colonel Torrens' evidence as to the loans proposed to be raised in 1840, and upon the financial tables put in by him, which are founded upon an hypothesis to which a majority of the commissioners object, 3125.

[Sixth Examination.]—Estimate of the number of acres in South Australia to be surveyed, with the probable expense to be incurred, 3127-3129.

Elliot, T. Frederick. Observations upon his evidence, *Torrens* 3120-3124——Statements delivered in by him, 5th March 1841, *App. p.* 191-196——Papers delivered in by him, 11th March 1841, *App. p.* 216 *et seq.*

EMIGRATION:

1. *Emigration to South Australia.*
2. *Emigration from the Colony.*
3. *Papers laid before the Committee.*

1. *Emigration to South Australia:*

Emigration was always carried on as fast as was good for the colony, and only the surplus of the fund applied to revenue purposes, until the colony became insolvent, *Elliot* 620-623——To stop emigration would destroy the country, *Elliot* 727——From November to January inclusive, it is better not to send a large number of emigrants from the Channel, *Elliot* 646-648——Comparative table of emigration to South Australia, for 1839 and 1840, up to the month of August, *Ev. p.* 132——Emigration has not been too great, and last year was less than it should have been, *Hill* 2328, 2329——The experiment of this mode of emigration has been most successful, *Wakefield* 2583——The establishment of new colonies encourages the colonizing spirit, and increases emigration to all the colonies; yet there is great jealousy amongst the different colonies, *Wakefield* 2990-3000.

2. *Emigration from the Colony:*

The company were afraid that if the first emigrants found no employment they would emigrate to the neighbouring colonies; means taken to meet this difficulty, *Angas* 364——In anticipation of the ruin that is coming upon the colony in consequence of the dishonour of the Governor's bills, a plan is now forming for the purpose of sending ships

Report, 1841—*continued.*

EMIGRATION—continued.

2. *Emigration from the Colony*—continued.

ships to Adelaide, in order to take away those men who may be thrown adrift by the cessation of employment, *Angas* 420——A very serious emigration from the colony may be apprehended, *Angas* 420——They will emigrate to Port Phillip in the first instance, or anywhere else where parties choose to send vessels to take them off, *Angas* 421——Some of the settlers are believed to have emigrated to New Zealand and other colonies, *Elliot* 928–935——Witness never heard of more than one emigrant leaving the colony, *M'Shane* 1469.

3. *Papers laid before the Committee:*

Letter from George Fife Angas to Lord John Russell, dated 16th April 1841, representing the great anxiety with which the South Australian Company view the present protracted suspension of labouring emigration to South Australia, *App. p.* 278, 279——South Australian resident commissioner's Half-yearly Report, to 30th June 1840, *App. p.* 295.

EMIGRATION FUND:

1. *Generally; Objects of the Fund, &c.:*
2. *Construction of the amended South Australian Act, with reference to the power of Borrowing; use made of the Provision to that effect by the Commissioners.*
3. *Papers laid before the Committee.*

1. *Generally; Objects of the Fund, &c.*

Provision should be made for repayment of the sum borrowed, *Rep. p.* vii. xxiii.——There is likely to be a less desire to purchase land at present, and the emigration fund will therefore be reduced, *Angas* 509, 510——The emigration fund has been more than sufficient for the wants of the colony, *Angas* 508——If the Commissioners could have raised the money in July, they would have replenished the emigration fund before they paid their debts in this country, *Elliot* 642——The sales of land went on so rapidly that the funds in hand were considerably in advance of the demand for sending out emigrants, *Hutt* 1058–1060——It would be an injustice to those who have purchased land if the amount due to the emigration fund should not be restored to it, *Angas* 1799——The cessation of the supply of emigrants was a breach of faith to the parties who bought land upon the understanding that they were to nominate emigrants, *Villiers* 1935–1940——It was one of the duties of the commissioners to regulate and proportion the price which they attached to lands, and also the application of the emigration fund as circumstances required it, *Angas* 1804.

2. *Construction of the amended South Australian Act, with reference to the power of Borrowing; use made of the Provision to that effect by the Commissioners:*

Sums borrowed, under the amended Act, from the emigration fund, which were to be ultimately replaced when required for emigration, *Torrens* 48–55——In pursuance of the provisions of the Act, the commissioners have borrowed 97,000*l.* from the emigration fund, the fund itself only amounting to 20,000*l.*, *Torrens* 66–68——The commissioners exceeded the limit of one-third, prescribed by the Act, by 90,000*l.*, *Torrens* 69–71——In 1838 there was an increase of the quarterly transfer from the emigration fund, for the use of the Governor, to the amount of 3,000*l.* per quarter, *Angas* 1695——In the course of the year 1839 the sum borrowed under the Amended Act was 36,000*l.*, *Torrens* 72–74——There is now nothing left of the emigration fund; it was wholly exhausted about August 1840, *Torrens* 118–120.

The Act requires that not more than one-third of the emigration fund should be borrowed at the close of a year; but there is nothing to prevent the borrowing of the whole fund two or three times over during the year, provided it be repaid when required for emigration, *Torrens* 56–65——The Act was not violated till the end of 1840, as there is no provision which forbids the borrowing any sum from the emigration fund, if it be replaced before the close of the year, or replaced by a loan, if previously required for emigration, *Torrens* 121–134.

By the third clause of the second South Australian Act, the commissioners are bound, at the end of the year, not to have a larger debt due to the emigration fund than one-third of the receipts during that year; to include the balance of former years in the receipts would be highly objectionable, *Elliot* 975–977——Propriety of borrowing from the fund arising from sales of preceding years defended, in opposition to the evidence of Mr. Elliot, *Torrens* 3060, 3061——It was the fundamental principle of the South Australian Act that all the proceeds of the land sales should constitute an emigration fund, *Hutt* 1013——Witness introduced the amended Act into Parliament; his

Report, 1841—*continued.*

Emigration Fund—continued.

2. *Construction of the amended South Australian Act*—continued.

his construction of the proviso limiting the power of the commissioners to borrow from the emigration fund to the extent of one-third, *Hutt* 1050–1055——At the dissolution of the first commission 25,000 *l.* had been borrowed of the Emigration Fund, although when the power was sought for it was thought unimportant, *Hutt* 1056–1058——Witness remarked with great astonishment and regret Colonel Torrens's interpretation of the proviso with regard to the emigration fund; although the words of the Act may bear him out, witness did not intend it when he brought in the Bill, nor was it ever mentioned at the Board, *Hutt* 1061, 1062——Evils of the second Australian Act in facilitating loans from the emigration fund; encouragement given to unnecessary expense, *Wakefield*, 2973, 2974.

3. *Papers laid before the Committee:*

Yearly statement of the loans from the emigration fund 1838, 1839 & 1840, *App. p.* 196.——*See* also *Land Sales. Loans.*

Emigrants. The emigrants taken out by witness were principally from Cornwall and a few from Norfolk; they were unexceptionable, *M'Shane* 1441–1444——The emigrants were chiefly small farmers and mechanics, and found ready employment, *M'Shane* 1405–1407——The useful emigrants were all satisfied with their condition, except under particular circumstances, *M'Shane* 1418, 1419——Out of several thousand emigrants witness was only able to make out twenty as objectionable upon any ground, *M'Shane* 1449–1451——The proportion of children among the emigrants was not large; about one-half would be adults, *M'Shane* 1452, 1453——South Australia offers greater temptations than Canada to emigrants, *M'Shane* 1463–1468——Statement of circumstances which induced the South Australian Company to send out a body of settlers before the commissioners had made any arrangements for their reception, *Angas* 1793.

Emigrant Ships. In the months of February and March 1840 five emigrant ships, conveying 972 souls, had been chartered by the commissioners at a considerable expense, *Torrens* 75——Expense incurred between the months of March and June 1840 by the chartering of 14 emigrant ships, *Torrens* 75——No emigration ship has sailed since July 1840, *Elliot* 643, 644.

Employment in South Australia. The emigrants employed in the town were engaged by the week, and those that went to the country by the month or by the quarter, and were provided with rations, *M'Shane* 1471.

Encounter Bay. In 1838 the whale fishery had made considerable progress at Encounter Bay, *Trimmer* 1280——Settlement of Encounter Bay, *M'Shane* 1509–1511——There are some 200 or 300 people in that district; they have got a church there; they have communication by water with Adelaide, *M'Shane* 1511——There is a tribe of aborigines at Encounter Bay, comprising about 150 persons, *Angas* 2411.

Establishment. Present establishment in South Australia, with salary and charges authorized and actually paid, *App. p.* 147——Authorized establishment in South Australia, enclosed in instructions to the resident commissioner and colonial treasurer, dated 9th November 1838; office; name; salary per annum, *App. p.* 232–234——Extract of a despatch from Colonel Gawler to the secretary of the Colonization Commissioners, dated Adelaide, 26th October 1838, respecting the increase of the establishment of public officers in the colony, much beyond the authorized establishment furnished in England, *App. p.* 240.——*See* also *Civil Establishment.*

Evangelical Lutheran Missionary Society of Dresden. This society is the first foreign society which ever established missionaries in a British colony, *Angas* 2409.

Exchanges. Exchange operations form a legitimate business for a colonial bank, *Brownrigg*, 2117, 2118.

Exchequer Bills. Amount of Exchequer bills in the hands of the treasurer of the commission on the 1st January 1840, *Torrens* 38.

Expenditure of the Colony:

1. *Authority of Colonel Gawler in respect of Expenditure.*
2. *How far his Expenditure was judicious or excessive.*
3. *Expenditure for the Outfit of the Colony.*
4. *How far the Expenditure can be met from the Resources of the Colony*
5. *Papers laid before the Committee.*

1. *Authority of Colonel Gawler in respect of Expenditure:*

Review of the matter by the Committee, *Rep. p.* vi–ix.——Colonel Gawler had some special authority on one occasion for building a pier, but he had no authority for any general deviation from his instructions as to expenditure, *Torrens* 28–32——In

Reports, 1841—*continued.*

Expenditure of the Colony—1. *Authority of Colonel Gawler, &c.*—continued.

In several of his despatches Colonel Gawler stated that his authorized expenditure was insufficient, and the Commissioners should have been prepared for a moderate excess, drawn upon his own responsibility, *Torrens* 206——Colonel Gawler was instructed not to incur any extraordinary expense without previous authority, except in cases of the most pressing emergency; no such emergency has arisen to justify his expenditure, *Torrens* 324, 325——Colonel Gawler was justified in departing, in some degree, from his instructions, but ought to have striven to keep within them, *Elliot* 706——Colonel Gawler was given to understand that an expenditure of 20,000*l.* a year should not be exceeded by him, *Hutt* 1082–1085——The Governor had no discretion to incur expenses not previously authorized by the Commissioners, *Hill* 2217, 2218——Colonel Gawler had a discretionary power to draw to the extent of 5,000*l.* in extreme cases, such as famine or the destruction of the town by fire, *Hill* 2221, 2222.

2. *How far his Expenditure was judicious or excessive:*

Extract from Journal of Council, 3d April 1840, stating Colonel Gawler's conviction of the necessity of incurring great expenses; how far witness concurs in the reasons given, *Torrens* 200——Opinion of the manager of the company in South Australia that the expenditure of Colonel Gawler was judiciously made, and that he would be able to justify himself to Government in the course he had adopted, *Angas* 470——Unnecessary expense incurred in the police, salaries to public officers, surveys, and some public works, *Angas* 523–531——Complaints of Colonel Gawler as to the imperfection and disorder of the accounts of expenditure in the colony, *Elliot* 661——Details of expenditure; salaries to public officers; survey department, *Elliot* 663, 664——Half the expense of the establishment at home has been charged upon the colonial revenue, except clerks employed on emigration, *Elliot* 670.

Examination of the various items of Colonel Gawler's expenditure; charge for police as compared with New South Wales and Van Diemen's Land, *Elliot* 936–952——The several items of Colonel Gawler's expenditure, added together, amount to 52,000*l.* per annum, *Elliot* 952–957——This expenditure compared with that of Van Diemen's Land, New South Wales, and Western Australia, *Elliot* 958–963——The Commissioners have formed erroneous estimates of the expenses to be provided for, *Hutt* 1014, 1015——The expenses have greatly exceeded what is reasonable, *Hutt* 1016–1019.

The Commissioners believed, when Colonel Gawler was sent out in 1838, that 20,000*l.* a year would be adequate to meet all the necessary expenses of the Government, *Hutt* 1071–1079——The total demands on the colony for the ordinary current expenses are very little less than 70,000*l.* per annum, *Elliot* 1316——Although Government expenditure in colonies is apparently productive of prosperity to the colonies, it has the counteracting effect of raising the price of labour, *Angas* 1762–1768——The heavy debts incurred by Governor Gawler have had the effect of drawing off attention from the settlement, *Angas* 1768.

The Commissioners raised a loan to meet any extraordinary expenses that might arise, *Hill* 2215, 2216——Original estimate made by the Colonization Commissioners for South Australia of the current expenses of the colony, *Hill* 2202–2207——The greater part of the expenses incurred by Colonel Gawler was very desirable, if the revenue of the colony had been sufficient to meet them, *Hill* 2264–2268——Part of Colonel Gawler's expenditure may have been rendered necessary by previous mismanagement, but a great portion might have been avoided or postponed, *Hill* 2330–2335.

3. *Expenditure for the Outfit of the Colony:*

Distinction drawn by Colonel Gawler between expenses which may be considered in the light of outfit and such as are of an ordinary character, *Elliot* 705, 706——The expenditure may have been larger than it should have been in so short a time, but it has been of a nature that must have been incurred sooner or later, *Whitmore* 823——A considerable expense of outfit was anticipated, but a precise estimate could not be made, and difficulties existed in getting the Act passed at all, *Whitmore* 824, 825——The Commissioners contemplated considerable expenses for the outfit of the colony, as for offices, gaols, &c., which they proposed to meet by loan raised upon the security of the future revenue, *Hutt* 1114–1124.

4. *How far the Expenditure can be met from the Resources of the Colony:*

Without calculating upon an increase of population, the resources of the colony will be sufficient to meet its responsibility, *Angas* 513–522——The financial difficulties are of a trifling nature, when the necessity of a large outlay at first and the resources of the country are considered, *Whitmore* 822.

5. *Expediency*

Reports, 1841—*continued.*

EXPENDITURE OF THE COLONY—continued.

5. *Expediency of giving to the Colony a Control over the Expenditure:*

The expenditure thus far would not have been so large if there had been a check in the colony, *Angas* 549——At an early period the colonists ought to have some degree of control over their expenditure and taxation, *Whitmore* 902, 903——The colonists did not contemplate being pecuniarily liable for the losses which might happen from the act of any governor, *Rundle* 1967——If the colonists are to be held liable in future for the expenditure, they ought to have some control, *Rundle* 1970——It was desired to give the colonists a control over the Government expenditure, as in the case of all colonies but New South Wales; but the promoters of the Act were obliged to be satisfied with what they could get, *Wakefield* 2574, 2575.

5. *Papers laid before the Committee:*

Expenditure of the Colonial Government for the quarter ending 31st December 1839, *App. p.* 99, 100——South Australian Resident Commissioner's Half-yearly Report, to 30th June 1840, *App. p.* 291, 292.

See also *Civil Establishment.* *Government House.* *Land Surveying Staff.* *Police Establishment.* *Public Works and Buildings.* *Stores.* *Surveys.*

Expense of Living. Expenses for a single gentleman and servant in South Australia, *App. p.* 247.

Exploration of the Colony. Extract of a despatch from Colonel Gawler to the Colonization Commissioners for South Australia, dated 19th October 1839, and enclosures dated 11th January 1840, 8th January 1840, and 8th August 1840, containing the description of the country in such districts as have hitherto been explored north and west of the peninsula bounded by Gulf St. Vincent and the Murray, *App. p.* 226–229.

See also *Land in the Colony.* *Surveys.*

Exports from the Colony. There has been an export of wool and of oil, the produce of the Encounter Bay fishery, *M'Shane* 1517, 1518——The resources of the colony will enable the colonists to carry on a very considerable export trade, *Angas* 1740.

F.

Farmers. The South Australian Company felt it to be deeply important to the interests of the new colony to send out a body of farmers, *Angas* 373——A principle was laid down by the company, that any farmer coming forward to emigrate should have a lease of their lands for 21 years, with the power of redemption, at the low rent of from 2*s.* to 5*s.* or 6*s.* per acre, *Angas* 373——It was proposed by the company to double any capital a farmer took out, as a loan to be repaid at given periods, *Angas* 373——It is a principle recognized by the company, that if a farmer takes a long lease of a farm, and has a portion of capital, say 200 *l.*, the company would lend him 200 *l.* more to assist him in the stocking and improving his farm, *Angas* 1842——The company have sent out about 30 farmers and their families, each taking one or two labourers besides, *Wheeler* 789, 790——The company have sent out altogether from 30 to 35 farmers to whom they have let land, giving them a right of purchase within a certain period at a price fixed before they took possession, *Rundle* 1947–1949.

Fell, Captain *Alfred.* Commander of the Catherine Stewart Forbes; has made two voyages in that ship to South Australia from London; her tonnage; draught of water when loaded and when in ballast, 2733–2737——Witness went in 1837 with emigrants direct to Adelaide; arrived in November; did not go to the port, but lay in Holdfast Bay, 12 miles from Adelaide, 2738–2744——Witness landed his emigrants and unloaded his cargo at Holdfast Bay; was there about three weeks; it is a very good place to lie in, 2745–2753——It is as safe an anchorage as Spithead or any roadstead in England generally, 2754——It is protected from the ocean swell by Kangaroo Island, 2757–2761——There is water about a mile and a half from the beach; it cost witness about 1 *l.* a ton, 2764, 2765.

In 1838 witness went direct from London to the port of Adelaide, and arrived there in the month of March; no difficulty was experienced in entering the mouth of the harbour, 2766–2784——Width of the river; width of the channel, 2785, 2786——About half a mile inside the creek the anchorage is quite safe; the river is navigable eight miles up, 2787–2793——A ship of the size of the Catherine Forbes can lie with safety within about 20 yards of the new port, 2794–2804——Depth of water at the new port; the current is strong when there are spring tides, 2805–2807——The entrance to the harbour is well marked with buoys, 2808.

Names of the ships lying in the harbour in March 1838, 2809——There is an inner bar with about the same depth of water that there is in the first bar, 2810–2814——The harbour was hardly known on witness's first voyage in 1837, 2815–2817——Most of the ships

Reports, 1841—*continued.*

Fell, Captain *Alfred.* (Analysis of his Evidence)—*continued.*

ships water at North Arm; the water is not very good, 2818–2824——Witness made voyages in 1838 and 1839, and found equal facility each time in entering the harbour, 2825. 2857, 2858——In 1839 witness lay abreast of the new port, 2836–2838——Number of ships that could lie in the harbour and discharge their cargoes at the same time with convenience, 2839, 2840——Witness found no difficulty in leaving the harbour; manner of leaving it, 2841–2845——Witness has an acre of land in the town which he purchased in 1839; price paid for it, 2846–2851——The nearest place where vessels get their water is Torrens' Island, about three miles from Adelaide, 2852–2856——Prices of provisions, 2859–2861——The expense of conveying goods from the landing-place to the town is greater from the new port than the old; the roads are very bad, 2862–2866.

Female Emigrants. A large proportion of the emigrants who have been sent out to South Australia have been females, *Rundle* 1989–1991.

Finances of the Colony:

1. *Generally.*
2. *Papers laid before the Committee.*

1. *Generally:*

General view of the finances of the colony, *Rep. p.* x——Animadversions upon a passage in the Fourth Report of the Commissioners, alluding to measures stated to have been in contemplation for placing the finances upon a stable foundation, *Elliot* 1362——The finances should be under the same control, on the part of the Treasury, as in other colonies, *Hill* 2281–2283.

2. *Papers laid before the Committee:*

Letter from A. Y. Spearman to Mr. Under Secretary Stephen, dated 16th June 1836, transmitting queries from the Commissioners of Audit, relative to the accounting for the funds of the colony, *App. p.* 63——Letter from Mr. Under Secretary Stephen to the Colonization Commissioners, dated 22d June 1836, transmitting the foregoing letter, *App. p.* 64——Letter from Rowland Hill to Mr. Under Secretary Stephen, dated 29th June 1836, stating the opinion of the Commissioners as to the financial control vested in them, *App. p.* 64——Letter from Mr. Under Secretary Stephen to A. Y. Spearman, dated 1st July 1836, submitting the question of financial control to the Lords of the Treasury, *App. p.* 65——Letter from Mr. Under Secretary Stephen to the Commissioners, dated 6th July 1836, stating that the question of financial control had been submitted to the Board of Treasury, *App. p.* 65.

Letter from A. Y. Spearman to Mr. Under Secretary Stephen, dated 11th August 1836, transmitting the opinion of Crown lawyers that the financial control rests with the Commissioners, *App. p.* 66——Letter from J. Stephen to A. Y. Spearman, dated 19th August 1836, stating the consequences of the opinion expressed by the Crown lawyers, *App. p.* 66——Letter from F. Baring to J. Stephen, dated 7th October 1836, relative to the control of the Government over sums to be raised by the Colonization Commissioners for South Australia, and proposed amendment of the Act, *App. p.* 67——Letter from J. Stephen to A. Y. Spearman, dated 24th February 1837, relative to the right of control over the funds asserted by the Colonization Commissioners, *App. p.* 67——Letter from Rowland Hill, dated 16th February 1837, relative to the expense incurred in advertizing the dinner to Captain Hindmarsh, *App. p.* 68——Letter from R. Torrens to Lord Glenelg, dated 17th August 1836, submitting two separate plans for conducting the financial affairs of the colony; one under the Commissioners, the other under the Secretary of State, *App. p.* 72.

Copy of Letter from R. Torrens and E. E. Villiers to J. Stephen, dated 11th December 1840, with memorandum on Captain Grey's Minute, *App. p.* 140–145——Financial statement of the Colonization Commissioners for South Australia, 1st March 1841, *App. p.* 191——Statement of ways and means during 1840, submitted to the Board monthly, *App. p.* 193——Financial position of the colony at the commencement of the half years, January 1st and July 1st, 1836 to 1841, both inclusive, *App. p.* 194, 195——Extract from a memorandum written in the month of March 1836 on the financial arrangement of the South Australian Land and Emigration Commission, *App. p.* 220–223——Despatches addressed to and received from his Excellency Colonel Gawler, Resident Commissioner in South Australia, on subjects connected with finance, during the years 1838, 1839, and 1840, *App. p.* 229.

Letter from Colonel Torrens to Colonel Gawler, dated 29th October 1838, enclosing copies of two letters from the Colonial-office and Treasury, containing instructions for his guidance in the event of any contingency requiring a supply of funds beyond the amount authorized by the Colonization Commissioners, *App. p.* 239——Extract of a despatch from Colonel Gawler to the Secretary of the Colonization Commissioners, dated Adelaide, 27th October 1838, assuring the Commissioners that he will use his best endeavours to carry

Reports, 1841—*continued.*

FINANCES OF THE COLONY—continued.

2. *Papers laid before the Committee*—continued.

carry out the self-supporting principles of the colony, *App. p.* 240——Extract of a despatch from the Secretary of the Colonization Commissioners for South Australia to the Resident Commissioner, dated 31st May 1839, approving of the coursea dopted by him on finding on his arrival in the colony that the 12,000 *l.* provided for he colonial expenditure of 1838 had been exhausted; and for providing the sum of 1,900 *l.* for other expenses, *App. p.* 241.

Extract of a despatch from Colonel Gawler to the Secretary of the Colonization Commissioners, dated Adelaide, 5th December 1838, stating the impossibility of waiting for authority from the commissioners for expenditure into which he may be led, *App. p.* 241——Extract of a despatch from Colonel Gawler to the Secretary of the Colonization Commissioners, dated Adelaide, 2d February 1839, with regard to the financial system of the colony, *App. p.* 242——Extract of a letter from the Secretary of the Colonization Commissioners to Colonel Gawler, dated 2d August 1839, approving of his having discharged outstanding claims to a large amount, which had arisen previously to his arrival in the colony, *App. p.* 243——Extract of a despatch from Colonel Gawler to the Secretary of the Colonization Commissioners of South Australia, dated Adelaide, 8th April 1839, respecting the workings of this branch of the colonial administration, *App. p.* 243–245.

Extract of a despatch from the Assistant Secretary of Colonization Commissioners for South Australia to Colonel Gawler, dated 15th November, 1839, respecting a revision of the salaries paid to public officers, and the necessity for erecting a Government-house and public offices, *App. p.* 248–250——Extract of a despatch from Colonel Gawler to the Secretary of the Colonization Commissioners, dated Adelaide, 23d August 1839, stating the necessity of taking the extraordinary steps, with regard to finance, which he had done, *App. p.* 251, 252——Extract of despatches from Colonel Gawler to the Colonization Commissioners, dated 30th October 1839 and 14th November 1839, respecting the colonial treasurer and colonial storekeeper not having been able to produce their accounts to 30th June 1839; reply thereto, *App. p.* 257, 258——Finance minute of Colonel Gawler, enclosed during his absence on a tour, in a despatch from the Colonial Secretary to the Colonization Commissioners, dated Adelaide, 26th November 1839, *App. p.* 258–260.

Financial statement, showing the amount of the funds which would have been in the hands of the commissioners on the 1st January, the 1st February, and the 1st of March 1841, after the payment of all liabilities fallen due up to the first of each of those months, and on the assumption that a loan of 120,000 *l.* had been contracted for in June 1840, and that three emigrant ships, of the ordinary class, had been despatched in the autumn of that year, *App. p.* 274——Financial position of the colony, January to June 1840, *App. p.* 274, 275——South Australian Resident Commissioner's Half-yearly Report, to 30th June 1840, *App. p.* 290, 291——Copy of a despatch from Governor Gawler to Lord John Russell, dated Adelaide, 28th December 1840, with respect to his conduct in reference to finance, under the financial affairs of the province, *App. p.* 290——Copy of a despatch from Governor Gawler to Lord John Russell, dated Adelaide, 18th January 1841, offering his views upon the subjects connected with the finance, containing the conclusion of the Commissioners' Report to Lord John Russell, of the 7th July 1840, *App. p.* 330, 331.

FINANCIAL EMBARRASSMENTS OF THE COLONY:

1. *Generally.*
2. *Papers laid before the Committee.*

1. *Generally:*

General view as to the causes thereof, and the measures taken, *Rep. p.* vi–xi——If the present financial difficulties were removed, the resources of the colony would, in future, defray its own expenses, but not perhaps the interest of its debt, *M'Shane* 1674–1676. 1679-1682——If the interposition of Parliament be delayed, most disastrous consequences will ensue; otherwise, the colony will be extricated from its embarrassments, and will be able to pay its debts in five years, *Angas* 586–594——The financial difficulties are the result of a combination of causes, one of which has been an indiscretion, on the part of the Governor, in the extent of the drafts he has made, *Hutt* 1008, 1009——The Colonization Commissioners certainly did not contemplate the financial embarrassments which have arisen, *Hill* 2198–2201——The immediate cause of the financial difficulty of the colony is the sudden and large expenditure of the local government; the remote cause the want of proper responsibility under the Act, *Wakefield* 2562–2570——Witness's views as to the causes of present difficulties, and the remedies that should be applied, *Torrens* 154–157.

The longer assistance is delayed, the larger will be the amount required, while the security for repayment will be less good, *Angas* 551–555——The colony will be anxiously waiting for news of the meeting of Parliament; and a remedy now applied will be in time to prevent the actual occurrence of distress, *Wheeler* 806, 807——The present embarrassments have been chiefly caused by the disobedience of the local commissioner to his instructions, which has not been justified by any circumstances, *Hill* 2313-2319——

Reports, 1841—*continued.*

Financial Embarrassments of the Colony—continued.

1. *Generally*—continued.

The present embarrassment is in part owing to what occurred under the first commission, *Hill* 2342–2345——Explanation of the financial position of the commissioners, from January to June 1840, *Torrens* 3062–3070——Colonel Torrens' financial explanation is founded upon an hypothesis to which a majority of the commissioners object, *Elliot* 3125.

2. *Papers laid before the Committee:*

Letter from the Colonization Commissioners to Lord John Russell, dated 7th July 1840, relative to the financial difficulties of the colony, and proposing a loan of 120,000 *l.*, *App. p.* 84——Letter from J. Stephen to the Colonization Commissioners, dated 13th July 1840, stating that the financial difficulties of the colony had been referred to the Board of Treasury, *App. p.* 90——Letter from J. Stephen to C. E. Trevelyan, dated 13th July 1840, transmitting Report of Commissioners to the Lords of the Treasury, and recommending loan, *App. p.* 90——Letter from J. Stephen to the Colonization Commissioners, dated 20th July 1840, transmitting Treasury letter sanctioning the proposed loan of 120,000 *l.*, *App. p.* 91——Copy of despatch from Lord John Russell to Colonel Gawler, dated 13th July 1840, transmitting Report of the Commissioners of the financial difficulties of the colony, and calling for explanation, *App. p.* 90, 91.

Letter from the South Australian Commissioners to J. Stephen, dated 26th August 1840, reporting further embarrassments of the colony, and the injustice to the public to raise a loan without declaring the state of the colony, *App. p.* 91——Letter from J. Stephen to C. E. Trevelyan, dated 11th September 1840, transmitting the foregoing Report, with review of facts, and proposing Parliamentary inquiry, *App. p.* 102——Copy of despatch from Governor Gawler to Colonel Torrens, dated Adelaide, 3d February 1840, respecting the state of the finances of the colony, *App. p.* 94, 95——Report of J. A. Jackson, the colonial treasurer, to his Excellency Lieut.-colonel E. Gawler, dated 10th December 1839, respecting the state of the finances of the colony, *App. p.* 95–97——Copy of despatch of Governor Gawler to Colonel Torrens, dated 26th February 1840, relative to the embarrassed state of the finances of the colony, *App. p.* 97–99.

Letter from the Colonization Commissioners to J. Stephen, dated 17 September 1840, stating the grounds for hoping the assistance of Government in the present crisis of the colony, *App. p.* 106.——Letter from R. Gordon, M. P. to J. Stephen, dated 23 September 1840, intimating that the Board of Treasury concur in the necessity for Parliamentary investigation, and an inquiry into the financial circumstances of the colony to be made by one of that Board, *App. p.* 107——Letter from the South Australian Commissioners to J. Stephen, dated 11 September 1840, with statement of their assets and liabilities, *App. p.* 103——Address of Governor Gawler to the Legislative Council, dated 3 April 1840, on the finances of the colony, for the last quarter of 1839, *App. p.* 126.

Financial Instructions to Governor. Letter from Colonel Torrens to Mr. Under Secretary Stephen, dated 21 May 1838, in which he proposes an alteration in the financial instructions to Colonel Gawler, *App. p.* 63.

Fish (Adelaide). There is abundance of fresh fish in the markets, *M'Shane* 1647——Adelaide is abundantly supplied with good fish every day, *Angas* 1858.

Fisher, James Hurtle. Object of the court of inquiry on Mr. Fisher's conduct, *Elliot* 1314, 1315——The commissioners recommended the appointment of Mr. Fisher as Colonial Commissioner, and he was appointed by the Crown, *Hill* 2284–2287——Mr. Fisher was removed under circumstances of such grave suspicion, that, had he possessed any property, legal measures would have been adopted to recover the sums for which he had rendered no account, *Hill* 2321.

Statement of the conduct of Mr. Fisher, Colonial Resident Commissioner of South Australia, *App. p.* 62——Selection of the official correspondence on the subject of the conduct of Mr. Fisher and Mr. Gilles, who held the offices of Resident Commissioner and Colonial Treasurer in South Australia, *App. p.* 279–283——Extract of a letter to James Stephen from Colonel Torrens, Chairman of the Colonization Commissioners for South Australia, dated 23d May 1838, with respect to the conduct of James Hurtle Fisher, Resident Commissioner, *App. p.* 279.——Schedule of despatches, and extracts of despatches relative to Mr. Fisher and Mr. Gilles, *App. p.* 279——Extract of a despatch from Colonel Gawler to the Colonization Commissioners for South Australia, dated 26th October 1838, respecting the suspension of Mr. Fisher from the exercise of all official functions, *App. p.* 280.

Extract of a report dated 31st January 1839, made to his Excellency Colonel Gawler, by the commission appointed to inquire into the conduct of Mr. J. H. Fisher, *App. p.* 280.——Extract of a despatch from Colonel Gawler, Resident Commissioner in South Australia, dated 29 May 1839, respecting the conduct of Mr. Gilles and Mr. Fisher, *App. p.* 281——Extract of a despatch from Colonel Gawler to the Colonization Commissioners for South Australia, dated 1st February 1840, containing the complete report of the court instituted to inquire into the conduct of Mr. Fisher, *App. p.* 282.

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Flocks and Herds. The first movement that some of the Company's vessels adopted after reaching the colony, was to import cattle and sheep from Van Dieman's Land and New South Wales, *Angas* 364——Means were discovered of obtaining stock overland, from the back settlements of New South Wales, *Angas* 364.——The climate is very healthy for all sorts of cattle and sheep, *Ev. p.* 46——One of the effects of the dishonour of the Governor's bills will be, that those who have charge of the flocks and herds in the colony will be discontented without pay; they will become indifferent to the charge committed them, and the flocks and herds will be dispersed, *Angas* 420.

Flour. Flour was brought from England and South America, and some from Van Diemen's Land, *Trimmer* 1273–1275.——Average price of flour in the colony, *M'Shane* 1398–1404 ——In 1838 and 1839 witness paid 80 *l.* a ton for flour, *Fell* 2859.——In a despatch of 29th May 1839, Colonel Gawler reported, and in replies dated 15th November and 6th December 1839, the commissioners approved, an expenditure of 3,000 *l.* to purchase flour under apprehension of a scarcity, *App. p.* 251.

Foundation of the Colony. Errors in the original plan, *Rep. p.* iii–v——The principle upon which the colony was founded was a sound one, *Hutt* 1158——A colony must be, in the first instance, supported by money borrowed or given; the North American colonies were established at the expense of private persons, *Wakefield* 2585–2588——The first proposal for founding South Australia, was to grant a charter to a company, whose capital should provide for the early expenses of the colony, as in the case of the Plymouth Company of Virginia, *Wakefield* 2585-2591——The scheme of founding South Australia by a charter, to a company whose capital should provide for the early expenses of the colony, was abandoned on account of the difficulty of complying with conditions required by Lord Goderich and Lord Stanley; persons would not subscribe until they had a guarantee that government would proceed with the measure, *Wakefield* 2592–2601——Colonies are much better founded when companies assist, *Wakefield* 2632.——*See* also *Self-supporting Principle.*

Foundation and Government of Colonies. Abstract or description of certain powers granted by the government of England to individuals or bodies corporate, for the foundation and government of colonies, *App. p.* 23.

Fourth Report of Commissioners. Causes of the delay in the preparation of the Fourth Report, *Hutt* 1043–1045.——The Fourth Report was written at various times in 1840, but was not completed and signed till July, *Torrens* 3118, 3119.

Freshfield, Mr. A correspondence on the subject of the loan to be raised by the issue of bonds, receivable in the colony for land, passed between Colonel Torrens and Mr. Freshfield, the solicitor of the commission, *Elliot* 1329——Correspondence between Mr. Freshfield and Colonel Torrens in February, March, and April 1840, delivered in, *Ev. p.* 176——Extract from professional bill of Mr. Freshfield, delivered to the commissioners 1840, *App. p.* 225——Letter from J. W. Freshfield to Colonel Torrens, dated 27th February 1835, with Mr. Freshfield's opinion as to the personal responsibility of the commissioners, *App. p.* 50, 51.

Fuel in Australia. Fuel is cheap, as there is abundance of timber in the neighbourhood, *M'Shane* 1499–1504.

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Gairdner, Gordon. (Analysis of his Evidence.)—Chief clerk of the Australian Department in the Colonial Office, 1——Delivers in correspondence with reference to the original formation and present state of South Australia, 2, 3——Memorandum of Mr. Gairdner, of papers presented by the Colonial department relative to South Australia, *App. p.* i. iv.

Game in South Australia. There was not much game in the colony, unless at a great distance from the town, *M'Shane* 1657.

Gaol. Letter from Charles Cooper to the Governor, containing a copy of a presentment made by the gentlemen of the grand jury at the last criminal session of the supreme court, stating that they find the gaol altogether inefficient, *App. p.* 315.

Gawler, Lieut.-Colonel *George.* Observations of the Committee upon his measures, *Rep. p.* viii——Colonel Gawler found the colony in a most unsettled state, and with the exception of deviating from his instructions as to expenditure, he has been a most excellent governor, *Hill* 2406——Letter from R. Torrens to James Stephen, dated 31st March 1838, recommending the appointment of Lieut.-Colonel Gawler to the government of South Australia, *App. p.* 61——Letter from Mr. Stephen to the Colonization Commissioners, dated 23d April 1838, intimating the intention of Government to appoint Colonel Gawler governor of South Australia, *App. p.* 61——Copy of despatches from Governor Gawler to Colonel Torrens, dated 3d February 1840, respecting the state of the finances of the colony, *App. p.* 94, 95. 97. 99——Despatch of Governor Gawler to Lord

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Lord Glenelg, dated 23d January 1839, respecting the disorganised state of the colony and difficulties of his government, *App. p.* 123——Address of the Governor to the Legislative Council, dated 3d April 1840, on the finances of the colony from the last quarter of 1839, *App. p.* 126——Letter from Lord John Russell to Governor Gawler, dated 26th December 1840, notifying his recal and the appointment of Captain Grey as his successor, *App. p.* 135.

Memorandum of the date of appointment of Colonel Gawler as resident commissioner in South Australia upon the 25th May 1838; his arrival in the colony reported 13th October 1838, *App. p.* 230——Extract of a despatch from the secretary of the Colonization Commissioners for South Australia to Colonel Gawler, dated 2d August 1839, assuring him of the support of the commissioners in such deviations from his instructions as he may think it his duty to make, *App. p.* 242, 243——Extract of a despatch from Colonel Gawler to the Colonization Commissioners, dated 21st March 1840, containing half-yearly reports ending 31st December 1839, of various public departments, *App. p.* 262, 263——Copy of a letter from the Colonization Commissioners for South Australia to James Stephen, dated 12th May 1841, submitting Colonel Gawler's observations on the present state of the colony to Lord John Russell's notice, *App. p.* 290.

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Germans in South Australia. There are 600 Germans in the colony; they do not generally speak English, *M'Shane* 1632–1637——Witness has never heard of their objecting to hire themselves out to the English, *M'Shane* 1642——They were not sent out at the expense of the Emigration fund, *Angas* 1875, 1876——They behave very well; they are religious, moral, loyal and industrious, *Angas* 1878–1883.

German Missionaries. Location and labours of the German missionaries in the colony, *Angas,* 2416.

Gillies, Mr. Services performed by Mr. Gillies in promoting the sales of land in the colony, *Hill* 2321–2325——Schedule of despatches and extracts of despatches relative to Mr. Gillies, late colonial treasurer in South Australia, *App. p.* 279——Selection of the official correspondence on the subject of the conduct of Mr. Gillies, *App. p.* 279–283——Extract of a despatch from Colonel Gawler to the Colonization Commissioners for South Australia, dated 26th February 1840, stating that he had been compelled to place Mr. Gillies in the hands of the Advocate-general, *App. p.* 283.

Glasgow Merchants. Letter J. Oswald, M. P., to Lord John Russell, dated 16th February 1841, containing remarks concerning the memorial of a number of merchants in the city of Glasgow, *App. p.* 150——Letter from R. Vernon Smith to James Oswald, M. P., dated 22d February 1841, acknowledging the receipt of Mr. Oswald's letter, enclosing the memorial of the merchants of Glasgow, *App. p.* 150——Memorial of merchants of Glasgow to the Right honourable Lord John Russell, dated 13th February 1841, requesting that the Governor's bills might be immediately accepted, *App. p.* 150.

Glenelg, Lord. Copy of despatch from Lord Glenelg to Governor Hindmarsh, dated 21st February 1838, recalling him from his government, *App. p.* 55.

Goderich, Lord. Lord Goderich objected to the colony the want of an exploration with respect to its natural features, and not the want of a survey for the disposal of land, *Wakefield* 2651——Letter from R. W. Hay to R. Torrens, in which Lord Goderich declines originating any scheme for the establishment of a colony in South Australia, *App. p.* 19.

Gordon, Robert, M. P. Letter from R. Gordon, M. P., to J. Stephen, dated 23d September 1840, stating that the Board of Treasury concur in the necessity for Parliamentary investigation, and an inquiry into the financial circumstances of the colony, to be made by one of that Board, *App. p.* 107——Letter from R. Gordon to J. Stephen, dated 4th November 1840, transmitting Treasury Minute of 3d November, stating the guarantee to be given by government to enable the commissioners to raise a loan, *App. p.* 120.

Gouger, R. Letter from R. Gouger to John Lefevre, dated 17th April 1834, transmitting the resolutions of committee of the South Australian Association, with reference to the four points which Mr. Stanley requires should be established in the formation of the colony, *App. p.* 38.

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Government House (Adelaide). Colonel Gawler commenced building the Government-house long before he got authority, but was afterwards sanctioned by the commissioners, *Torrens* 326–330——Witness does not understand how buildings can be necessary to the extent of an outlay of 25,000 *l.* for a government-house and government offices, *Angas* 530——The expenses of the government-house and public offices were authorized, *Elliot*, 707——The government-house is larger than was called for by the state of the province, *M'Shane* 1558*, 1559——The large expenditure on a government-house and public buildings was exceedingly unwise, *Hill* 2336.

Governor of the Colony. Advantage of the union of the offices of Governor and Resident Commissioner, *Rep. p.* vii——Instructions were not given defining precisely the limits between the authority of the Governor and that of the Resident Commissioner, as the Act was not distinct on that point, *Torrens* 35–37——Letter from R. Torrens to Mr. Under Secretary Stephen, dated 23d April 1838, recommending the union of offices of Governor and Colonial Resident Commissioner, *App. p.* 61, 62——Letter from Mr. Under Secretary Stephen to the South Australian Commissioners, dated 10th May 1838, stating the consent of the Secretary of State to the proposed arrangement, *App. p.* 62.

Governor's Salary. Letter from Colonel Gawler to R. Torrens, dated Adelaide, 30 October 1839, acknowledging the commissioners' warrant of the 12th April 1839, increasing his salary from 800 *l.* to 1,000 *l.* per annum, and complaining that that allowance is most insufficient for the reasonable expenses of a Governor of this colony, *App. p.* 256, 257.

Grant, Right Hon. *Charles.* Letter from Mr. Secretary Grant to R. Torrens, dated 27th April 1835, approving the gentlemen named as the Colonization Commissioners, *App. p.* 52.

Grey, Captain. Captain Grey's salary is to be 1,000 *l.* a year, *Elliot*, 714——Despatch from Captain Grey to Lord John Russell, dated 18th November 1840, enclosing summary of subjects on which he requests instructions; his correspondence, finance, special survey, &c. *App. p.* 135——Copy of a letter from Lord John Russell to Captain Grey, dated 29th December 1840, containing instructions as to whom Captain Grey should address his correspondence, and with regard to special surveys, *App. p.* 149, 150.

Grote, George, M.P. Letter from George Grote to John Lefevre, dated 21st March 1834, explaining more fully the views of the Provisional Committee of the South Australian Association, and combating Mr. Secretary Stanley's objections to the proposed charter of incorporation, *App. p.* 35.

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1. *Generally:*

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2. *Papers laid before the Committee:*

Letter from Mr. J. Stephen to a A. Y. Spearman, dated 26th April 1837, stating the suggestion of Lord Glenelg to the Lords of the Treasury, of the expediency of their receiving directly from the Colonization Commissioners the statements they have to make with respect to the creation of a stock, bearing an interest of 6 per cent. per annum; and also with respect to the further maintenance of the guarantee fund, *App. p.* 182——Copy of a letter from A. Y. Spearman to James Stephen, dated 11th June 1838, requesting he will state to Lord Glenelg that provided the 4th clause, relating to the guarantee fund, is omitted the Lords of the Treasury do not object to the enactments contemplated in the Bill, *App. p.* 190——Letter from James Stephen to the Colonization Commissioners of South Australia, dated 12th June 1838, transmitting by direction of Lord Glenelg a copy of a letter from the Secretary to the Treasury, intimating that provided the 4th clause relating to the guarantee fund is omitted, the Lords of the Treasury do not object to the enactments contemplated in the Bill, *App. p.* 190.

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Hay, R. W. Letter from R. W. Hay to R. Torrens, dated 17th July 1832, relative to the charter for the incorporation of the South Australian Land Company, *App. p.* 16——

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Letter from the same to the same, dated 6th Aug. 1832, stating that Lord Goderich declines originating any scheme, *App. p.* 19——Letter from R. W. Hay to R. Torrens, dated 16th February 1835, raising the question as to the personal responsibility of the Commissioners, *App. p.* 49——Letter from R. W. Hay to Hon. J. Stewart, dated 7th March 1835, transmitting copies of two letters from Colonel Torrens for the consideration of the Lords of the Treasury, *App. p.* 51.

Hewitt, Charles Thomas.—Letter from Charles T. Hewitt and William Colton, dated Doringo Valley, Onkaparingo, South Australia, 2d September 1840, giving a statement of the facts experienced by them since their arrival in the colony, 19th December 1839, *Ev. p.* 46, 47.

Hill, Rowland. (Analysis of his Evidence.)—Secretary to the late Board of Colonization Commissioners for South Australia, 2196, 2197——The commissioners certainly did not contemplate the financial embarrassments which have arisen, 2198–2201——Original estimates made by them of the current expenses of the colony, 2202–2207——Estimated expense of surveys, 2208, 2209——Any increase of expenditure beyond the sum provided by the commissioners was expected to be met by an increasing colonial revenue, 2210–2213.—They raised a loan to meet any extraordinary expenses that might arise, 2215, 2216——The governor had no discretion to incur expenses not previously authorized by the commissioners, 2217, 2218.

Governor Hindmarsh took out with him 1,000 *l.* in specie; and the Colonial-office instructed the governors of New South Wales and Van Diemen's Land to give him assistance in case of necessity, 2219, 2220——Colonel Gawler had a discretionary power to draw to the extent of 5,000 *l.*, in extreme cases, such as famine or the destruction of the town by fire, 2221, 2222——Expense incurred in materials sent out at the first formation of the colony, 2223——The expenses of surveying greatly exceeded the estimate, 2224, 2225——Discontent of settlers on finding that land which they had purchased had not been surveyed, 2229.

The Commissioners had relied upon the surveyors to keep always in advance of the sales, but the inefficiency of the latter frustrated this intention, 2230-2232——None of the surveyors were admitted without examination or testimonials, 2233–2236——They had lost or destroyed a great proportion of the instruments provided by the commissioners on the arrival of Colonel Gawler; their means of transport were probably insufficient, 2237, 2238——9,000 *l.* or 10,000 *l.* would have been quite sufficient to defray all the expenses of surveys in three years, to meet the wants of emigrants on their arrival, 2239-2245——The demand for land increased so rapidly that the allowance for surveying was raised from 3,000 *l.* a-year to 6,000 *l.*, 2246–2248——Strength of the surveying staff, 2249, 2250——Colonel Light began a trigonometrical survey, but the commissioners finding how slowly it proceeded, directed a running survey to be taken instead, to be afterwards checked by trigonometrical admeasurement, 2251——No agreement had been made with emigrants as to the nature of the survey, 2252, 2253.

There could be no objection to applying a definite sum, as 1 *s.* an acre, out of the proceeds of the land sales, to defray the expense of surveys, 2254-2262——The expenditure on account of Government establishments very little exceeded the estimate while witness was secretary, 2263——The greater part of the expenses incurred by Colonel Gawler was very desirable, if the revenue of the colony had been sufficient to meet them, 2264–2268——Limits within which the Governor was authorized to spend money for public works, 2269——Causes of the great deficiency of accounts of expenditure in the colony, 2270-2273——Irregularities of Mr. Fisher, the colonial commissioner, and Mr. Gillies, the treasurer, 2274, 2275——The ineffectiveness of the officers sent out arose partly from divided responsibility, and partly from the limited choice there was amongst persons emigrating to an unexplored colony, 2276–2280.

There can be no doubt of the inexpediency of founding a colony upon precisely the same arrangements as those adopted in the case of South Australia, 2278——The finances should be under the same control, on the part of the Treasury, as in other colonies, 2281-2283——The commissioners recommended the appointment of Mr. Fisher as colonial commissioner, and he was appointed by the Crown, 2284–2287——They acquiesced in the appointment of the first Governor, 2288.

Witness is still of opinion that the colony will be able to be carried on upon the self-supporting principle, 2289-2292——The outfit of the colony might have been provided by a loan raised at a low rate of interest, if a survey had been made of the colony before its settlement, as persons lending money would have known the nature of their security, 2293-2308——Rates of interest at which loans have been raised; it would not be advisable for other colonies to rely upon loans, 2309-2311——The present embarrassments have been chiefly caused by the disobedience of the local commissioner to his instructions, which has not been justified by any circumstances, 2313–2319——Services performed by Mr. Gillies in promoting the sales of land in the colony, 2321-2325.

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Hill, Rowland. (Analysis of his Evidence)—*continued.*

The necessity of applying the whole of the land fund to emigration will depend upon the price at which land may hereafter be sold, 2326, 2327——Emigration has not been too great, and last year was less than it should have been, 2328, 2329——Part of Colonel Gawler's expenditure may have been rendered necessary by previous mismanagement, but a great portion might have been avoided or postponed, 2330–2335——The large expenditure on a government-house and public buildings was exceedingly unwise, 2336——The reputation of the colony had suffered from the backwardness of the survey, and would have suffered still more but for the measures of Colonel Gawler, 2337–2341——The present embarrassment is in part owing to what occurred under the first commission, 2342–2345——The self-supporting principle will not have failed in South Australia if the colony is ultimately able to discharge all its debts, 2346–2360.

A fixed price for land is preferable to a price varying according to its quality; persons purchasing in this country would be unwilling to run the risk, unless they had a chance of getting land of a high value, 2361–2370——The consequence of the uniform price is that the best lands in point of fertility and position come first into occupation and cultivation; this was contemplated by Mr. Gibbon Wakefield, 2371–2380——The fixed price causes the land to be occupied in the ordinary course; there would be no advantage in inducing persons to occupy land of inferior fertility, 2381–2387——About 60,000 acres have been put up for sale to persons whose priority of choice was determined by lot; not more than half that land was taken up by the parties at the time, 2388–2405——Colonel Gawler found the colony in a most unsettled state, and, with the exception of deviating from his instructions as to expenditure, he has been a most excellent Governor, 2406.

[Second Examination.]—Explanation and enlargement of witness's answer to Question 2312, as to the prosperity and resources of the colony when he left the commission, 3126.

Hill, Rowland. Letter from secretary to the South Australian Commissioners to Sir George Grey, dated 22d May 1835, transmitting copy of the correspondence between the commissioners and Colonel Napier, on his resignation of the government, *App. p.* 53 —— Letter from Rowland Hill, dated 16th February 1837, relative to the expense incurred in advertising the dinner to Captain Hindmarsh, *App. p.* 68——Letter from the same to Sir George Grey, dated 18th February 1836, relative to proposed amendment of the Act to authorize loans by annuities, *App. p.* 68——Letter from the same to the same, relative to the proposed amendment of the Act, and requesting copies of correspondence with Board of Treasury and Crown lawyers as to control of funds, *App. p.* 74——Letter from the same to James Stephen, dated 24th February 1837, with reference to opinion of Crown lawyers; the commissioners propose passing a short declaratory Act, with power to raise annuities, *App. p.* 75——Letter from the same to the same, dated 3d March 1837, signifying the necessity of amending the Act, *App. p.* 75.

Hindmarsh, Captain. Captain Hindmarsh, the first governor, without any authority whatever, drew upon the Lords of the Treasury, *Elliot* 1326——Governor Hindmarsh took out with him 1,000*l.* in specie, and the Colonial-office instructed the governors of New South Wales and Van Diemen's Land, to give him assistance in case of necessity, *Hill* 2219, 2220—— Copy of despatch from Lord Glenelg to Governor Hindmarsh, dated 21st February 1838, recalling him from his government, *App. p.* 55, 56——Letter from Colonel Torrens to Lord Glenelg, urging upon him the recall of Captain Hindmarsh from the government of South Australia, *App, p.* 56–60.——Letter from James Stephen to the Colonization Commissioners, dated 21st February 1838, signifying the intention of Government to recall Captain Hindmarsh, *App. p.* 60, 61.

Hobart Town. Extracts from the minutes of an Executive Council held at the Council-room, Hobart Town, on 15th October 1840, *App. p.* 277, 278.

Holdfast Bay. Holdfast Bay is not a good roadstead, *Driver* 2536–2538——Is as safe an anchorage as Spithead, or any roadstead in England generally, *Fell* 2754——Is protected from the ocean swell by Kangaroo Island, *Fell* 2757–2761——The larger ships land their emigrants at Holdfast Bay, with a view of saving provisions for so many miles, *Wheeler* 2879, 2880.

Horses. Horses are principally imported from Van Diemen's Land, and may come overland from New South Wales, *M'Shane* 1660——The proportion of horses in the colony to the population is as one to 10; in England it is as one to 11, *Angas* 1777.

Hospital (Adelaide). Manner in which the hospital at Adelaide is supported, *M'Shane* 1554–1558.

Houses. The houses in Adelaide are of brick, wood, and stone; there is good stone and slate in the neighbouring hills, and good brick earth, and lime close to the town, *Trimmer*

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Houses—continued.

Trimmer 1213–1217——The labourers in the country have mere huts, made of stakes, boughs, and mud, *M'Shane* 1416, 1417——The houses of the labouring population compared with English cottages and houses in towns, *M'Shane* 1615–1626—Private individuals were building houses in the town of Adelaide to a great extent in 1839, *M'Shane*, 1523–1526.

House Expenses (South Australia). Price of meat; provisions; necessaries; clothing; labour; house-rent per annum, *App. p.* 246.

House-rent. House-rent in Adelaide is very high, *Rundle* 1972, *M'Shane* 1496——In 1838 house-rent was exorbitantly high, *Driver* 2489.

Howick, Lord. Memorandum by Lord Howick, dated 31st October 1831, as to projected settlement of South Australia, *App. p.* 1.

Hutt, William, Esq. M.P. (Analysis of his Evidence.)—Member of the late South Australian Commission, 1004, 1005——The financial difficulties are the result of a combination of causes, one of which has been an indiscretion on the part of the Governor in the extent of the drafts he has made, 1008, 1009——There would be no objection to charging the cost of surveys upon the emigration fund, provided the amount were defined, 1010–1012——It was the fundamental principle of the South Australian Act that all the proceeds of the land sales should constitute an emigration fund, 1013—The commissioners have formed erroneous estimates of the expenses to be provided for, 1014, 1015——The expenses have exceeded what is reasonable, 1016–1019——The expense of public buildings should not be charged upon the emigration fund, but ought to be borne by the colony itself, 1020.

The financial difficulties may be attributed in part to the change of the commission, which appeared to interfere very much with the sale of land in this country, 1021–1027. 1032–1038——The former commission possessed in a great degree the public confidence, 1028——Some of the members had great commercial weight, which gave facilities to their pecuniary operations, 1029, 1030——The land sales fell off before the dissolution of the commission, but at a time when it was usual, 1031——In August 1839 the propriety of a loan was discussed; but the money market was deranged at that time, and the matter was not then pressing, 1039, 1040——No act of the present commission could have affected the land sales; but they had not so much of the public confidence, and their office was not in a public thoroughfare, 1041, 1042.

Causes of the delay in the preparation of the Fourth Report, 1043–1045——Amount that the commissioners were empowered to borrow under the first Act, and amount raised, 1046–1049——Witness introduced the amended Act into Parliament; his construction of the proviso limiting the power of the commissioners to borrow from the emigration fund to the extent of one-third, 1050–1055——At the dissolution of the first commission 25,000*l.* had been borrowed of the emigration fund, although, when the power was sought for, it was thought unimportant, 1056–1058——The sales went on so rapidly that the funds in land were considerably in advance of the demand for sending out emigrants, 1058–1060.

Witness remarked with great astonishment and regret Colonel Torrens's interpretation of the proviso, although the words of the Act may bear him out; witness did not intend it when he brought in the Bill, nor was it ever stated at the Board, 1061, 1062——He never thought it necessary for the commissioners to exercise an absolute control over the revenue of the colony raised by taxes, 1063–1066——The expectations originally formed of the amount of the revenue have not been disappointed, 1067–1070——The commissioners believed, when Colonel Gawler was sent out in 1838, that 20,000*l.* a year would be adequate to meet all the necessary expenses of the government, 1071–1079——They expected the interest of the debt to have been met in the first instance by a loan, and afterwards provided for by an increase of the receipts of the customs, 1080, 1081——Colonel Gawler was given to understand that an expenditure of 20,000*l.* a year should not be exceeded by him, 1082–1085.

Examination with reference to the land sales before and after the dissolution of the late commission, 1086–1089——The falling off of the land sales was not influenced, to any great extent, by emigration to New Zealand, 1092–1094——The old commission, from its mixed and partly commercial character, took more active measures for the sale of land, 1095——Even if the land sales had continued to the same extent, and the expenditure had been as high as it was, there would have been financial embarrassment, 1096–1098——The best plan of charging for surveys would be by a separate fee upon each sale of land, rather than by a deduction from the gross proceeds, 1099–1104——There was so strong a feeling in South Australia against a running survey, that the commissioners were forced to abandon it, 1104, 1105.

The expenses of surveying have been much increased by the high price of labour, 1106–1108——And by the system of special surveys, to which parties purchasing 4,000 acres were

Reports, 1841—*continued.*

Hutt, William, Esq. M.P. (Analysis of his Evidence)—*continued.*

were entitled, and which were promoted rather than limited by the present Governor, 1109–1113——The commissioners contemplated considerable expenses for the outfit of the colony, as for offices, gaols, &c., which they proposed to meet by loan raised upon the security of the future revenue, 1114–1124——Colonel Gawler enabled a number of persons to club together for the purchase of 4,000 acres, and to demand a special survey, 1125.

Examination of a minute of Captain Grey, stating the operation of special surveys upon the value of adjoining lands; injurious power of selection given to parties, 1126–1130——Another objection of Captain Grey to special surveys, viz., that in some cases nearly the whole price of the land is spent in the survey, 1131, 1132——The system of special surveys has had the effect of encouraging land jobbing, 1133–1136——It is expected that 60,000 bushels of wheat will be grown this year, or about half the supply of the colony, 1139–1145——If the present financial difficulties are removed, the revenue may be expected to increase in proportion to the population, 1146–1148——One of the difficulties created by the Act is the "guarantee fund," 1150–1153——Circumstances under which 5,000 *l.* was abstracted from that fund, 1155–1157.

The principle upon which the colony was founded was a sound one, 1158——The guarantee fund was a loan of 20,000 *l.*, raised at 10 per cent. on the security of the land sales, 1159–1162——The financial and administrative affairs of the colony should be in the hands of the executive, and the commissioners have no power, except in the sale of lands and emigration, 1163–1170——A district colonization board for each colony would be preferable to one general board for all colonies; the commissioners should be removable by the Colonial-office, 1171–1184——The only money borrowed by the commissioners was at the rate of 10 per cent., a portion of which has been converted into annuities at 6 ½ per cent. 1185–1187——A charter of incorporation to a company with a paid-up capital would have obviated all practical difficulties, 1188.

Import Duties (South Australia). Comparative statement of the rates of import and other duties in New South Wales and South Australia, taken from the South Australian Almanack, and from the Blue Book for New South Wales, *Ev. p.* 180.

Infanticide. The natives practise infanticide, *Angas* 2417.

Instructions from Commissioners to Colonial Authorities. Correspondence relative to the proposed review, by the Secretary of State, of the instructions from the commissioners to the colonial authorities, *App. p.* 80, 81.

Insurance, Rate of. The rate of insurance is the same to Adelaide as to Sydney, *Wheeler,* 2869, 2870.

INTEREST, Rate of:

1. *Rate and Amount of Interest on Loans raised by the Commissioners.*
2. *Rate of Interest in the Colony.*

1. *Rate and Amount of Interest on Loans raised by the Commissioners:*

High rate rendered necessary by the uncertainty of the security, *Rep. p.* v——Rate of interest at which the commissioners have borrowed money; terms upon which part of the bonds were converted into annuities, *Torrens* 216–218——The interest upon the present debt of the colony, and upon the proposed loan, would be 16,000 *l.* a year, *Elliot* 720, 721——To the gross amount of expenditure must be added 16,000 *l.* a year, as the interest of the debt, *Elliot* 971–974——When Colonel Gawler went out in 1838, the commissioners expected the interest of the debt to have been met, in the first instance by a loan, and afterwards provided for by an increase of the receipts of the customs, *Hutt* 1080, 1081.

2. *Rate of Interest in the Colony:*

There is no lower rate of interest than 10 per cent. charged in any of the Australian colonies, *Angas* 1702——In some instances in the colony as high as 15 per cent. has been charged for discounts, *Angas* 1718——The South Australian bank did not charge the Governor a higher rate of interest upon the loan of 15,000 *l.* than they charged for mercantile bills of a first-rate character at that period, *Angas* 1726–1729——The rate of interest upon discounts would be higher for a long period than a short one, *Angas* 1722——Examination as to the rate of interest charged by the company on a loan of 15,000 *l.* to the Government, *Angas* 1696–1728——Rates of interest at which loans have been raised; it would not be advisable for other colonies to rely upon loans, *Hill* 2309–2311.

Irish Emigrants. In 1839 there were very few Irish emigrants in Australia, *M'Shane* 1465.

Iron. There is iron ore close to Nepean Bay, which will admit of ships of 800 tons, *Angas* 1739. 1745, 1746.

Reports, 1841—*continued.*

J.

Jackson, John Alexander. Copy of Report of J. A. Jackson, Colonial Treasurer, to Governor Gawler, dated 10 December 1839, relative to the state of the finances of the colony, *App. p.* 95–97——Extract of a despatch from Colonel Gawler, addressed to the Secretary of the Colonization Commissioners, dated 10th October 1839, respecting the resignation of Mr. Gilles, and the appointment of John Alexander Jackson as a treasurer, accountant-general, and collector of internal revenue, *App. p.* 253, 254.

Jackson, Joseph. (Analysis of his Evidence.)—Accountant to the Board of Colonization Commissioners for South Australia, 2883; was directed by the Board to fill up a certain blank form of financial returns for the use of the Committee, 2884; witness wishes to withdraw a former return presented to the Committee, as it does not contain the ways and means for December 1840, and substitute two papers marked (A) and (B), comprising a complete return to the requisition of the Committee, 2885–2889.

Jealousy amongst colonies. Whether there is jealousy of South Australia on the part of the other Australian colonies, *Mann*, 2165, 2166.

Jews, The. The natives have some remarkable practices similar to the Jews, such as circumcision, lamentations over the dead, exchange of surnames with their friends, &c., *Angas* 2417.

Joint Stock Company. It was originally proposed that there should be a Joint Stock Company with a paid-up capital, to which Government objected, *Whitmore* 843–846—— Witness would revert to the principle of a Joint Stock Company, having a subscribed capital paid up, in order to facilitate the early progress of a colony, *Whitmore* 909, 910.
See also *Charter of Incorporation.* *Foundation of the Colony.*

Judge of South Australia. The Judge is underpaid, and there are no means of remedying the evil; his salary is 500 *l.* a year, *Elliot* 668.

K.

Kangaroo Flesh. In 1838 kangaroo flesh in the colony was 1 *s.* per pound, very scarce, *Driver*, 2491.

Kangaroo Island. Early in 1837 the settlers removed from Kangaroo Island to Adelaide, consequently their first expenditure was completely useless; they had to begin again and settle a second new colony, *Angas* 1792——In Kangaroo Island, which is within the precincts of South Australia, the land costs 15 *l.* an acre to clear, *Whitmore* 906—— Holdfast Bay is protected from the ocean swell by Kangaroo Island, *Fell* 2757–2761.

Kavel, Pastor. Pastor Kaval recommends a portion of land to be set aside for the Para or Gawler tribe, who occupy a portion of the country which has recently been surveyed; arrangements ought to be made to secure to them some property where they may be induced to settle permanently, and to enjoy the benefits of civilized life, *Angas* 2419.

Labour. In consequence of the dishonour of the Governor's bills, he will obtain no further credit, and there will be an end to all employment of labour, as there will be no means of paying the wages of labour, *Angas* 420——The demand for labour, and the supply, are about equal, *M'Shane* 1472–1475——Labour has been sent out too quickly, *Angas* 1776——Manner in which the very rapid introduction of ship after ship into the colony, has a tendency to increase the price of labour, *Angas* 1794–1798——One pound an acre is merely a nominal price, and makes land so accessible as to withdraw labour for hire from the market, *Wakefield* 2895——Price of, in South Australia, *App. p.* 246.

Labourers. In 1839, labourers found ready employment upon their arrival in the colony at 7 *s.* a day, *M'Shane* 1408, 1409——Labourers cannot emigrate without assistance, the plan of advancing them sums to be repaid in the colony, has never answered, *Wakefield* 2950–2955.

Land in the Colony. Payments for land have been made partly in cash, and partly after long credits, from one to six or seven years; there has been no instance of a default, *Angas*, 376, 377——The company did not buy any of the 35,000 *l.* worth of land held by them, of the commissioners; three individuals joined together to buy about 10,000 acres at 12 *s.* an acre, *Ib.* 367——They have since purchased 40,000 acres at 20 *s.* an acre, *Ib.* 368, 369——They have only parted with about 4,000 acres, *Ib.* 370–372——The company have only sold 4,000 acres; the residue is unappropriated, except by flocks and herds; the company have also farms of their own to try experiments of cultivation on the land, *Ib.* 375——Price at which land let by the company may be redeemed; rent paid; number of acres held by the company and purchased of them, *Ib.* 745——Number of acres held by the company; quantities purchased at first and by virtue of special surveys; amount of land orders bought, *Wheeler* 760–762——Calculations of the quantity of available land in South Australia; error of Captain Sturt; discoveries at Lake Alexandria and Spencer's Gulf, *Elliot* 3030–3037.

Reports, 1841—*continued.*

Land Fund. When a colony is first established, it may be necessary to apply a portion of the land fund to local improvements, but not afterwards, *Whitmore* 826–831——Objections to the application of any portion of the land fund to any purposes but emigration, *Wakefield* 3012–3020——At all events the proportion to be applied to other purposes should be fixed, *Ib.* 3020, 3021——The amount of the land fund will depend upon the general condition of the colony; a diminution of it would reduce the means of increasing the population, *Elliot* 724, 725——It may be a question whether one-half the land revenue might not be applied to the debt, *Ib.* 726, 727.

See also *Emigration Fund.*

Land Order. Copy of land order for special survey of lands in South Australia, *App. p.* 145.

Land Sales:

1. *Amount arising therefrom.*
2. *Causes of the falling off of the Land Sales.*
3. *Application of the Proceeds; how far it should be confined strictly to Emigration.*
4. *Mode of conducting Land Sales.*
5. *Papers laid before the Committee.*

1. *Amount arising therefrom:*

Amount proceeding from land sales in the course of the year 1839, *Torrens* 87, *Ev. p.* 9——The land sales will not stop for the want of sufficient good land, *Elliot* 737, 738——Even if the land sales had continued to the same extent, and the expenditure had been as high as it is, there would have been financial inconvenience, *Hutt* 1096–1098.

2. *Causes of the falling off of the Land Sales:*

There is likely to be a less desire to purchase land at present, and the Emigration Fund will therefore be reduced, *Angas* 509, 510——The financial difficulties may be attributed in part to the change of the commission, which appeared to interfere very much with the sale of land in this country, *Hutt* 1021–1027. 1032–1038——The land sales fell off before the dissolution of the commission, but at a time when it was usual, *Ib.* 1031——No Act of the present commission could have affected the land sales; but they had not so much of the public confidence, and their office was not in a public thoroughfare, *Ib.* 1041, 1042.

Examination with reference to the land sales before and after the dissolution of the late commission, *Ib.* 1086–1089——The falling off of the land sales were not influenced to any great extent by emigration to New Zealand, *Ib.* 1092–1094——The diminution of the land sales resulted from the purchases that were going on in New Zealand; it did not prevent the sale of lands at Port Philip, *Ib.* 1093——The old commission, from its mixed and partly commercial character, took more active measures for the sale of land than the new commission, *Ib.* 1095——The land sales could not have fallen off in consequence of a change of Commissioners, *Elliot* 1308——The circumstance of the land sales having fallen off two months before the change of Commissioners is not explained by the season of the year, *Ib.* 1309.

The causes of the falling off in the land sales explained by the Commissioners themselves, and by Colonel Gawler, *Ib.* 1310–1312——The falling off in the land sales in England, appears to have arisen partly from an impression that it is more advantageous to purchase land on arrival in South Australia than previously to departure from England, but chiefly from the rivalry of the New Zealand Company, *Ib.* 1310——The falling off in the land sales in the colony, is owing to the purchases having far exceeded the pastoral and agricultural requirements of the population, *Ib.* 1312.

3. *Application of the Proceeds; how far it should be confined strictly to Emigration:*

One-half of the receipts should form part of the general revenue, *Rep. p.* xviii——One-fourth of the Emigration Fund arising from land sales should be applied to public improvements in the colony; the remainder would suffice for emigration, *Angas* 507, 508——An alteration of the Act would be necessary to enable the Commissioners to apply any portion of the proceeds of land sales to other purposes than emigration, *Whitmore* 904, 905——The emigrants had a right to suppose that the whole produce of the land sales would be applied to emigration, *Villiers* 1941——Facilities should be given to persons who are now inclined to purchase land, to take out from this time, if they choose, emigrants for the purchases they made, *Rundle* 1977, 1978——The necessity of applying the whole of the land fund to emigration will depend upon the price at which land may hereafter be sold, *Hill* 2326, 2327.

4. *Mode of conducting Land Sales:*

System of auction proposed instead of a uniform price, *Rep. p.* xi–xvi. xxii——Under any system of disposing of lands, some persons must have the first choice, either by applying first, or by lottery, *Wakefield* 2642–2649——Land may be advantageously sold in small lots, that a poor man might buy out of his savings, *Ib.* 2683–2685.

Reports, 1841—*continued.*

Land Sales—continued.

5. *Papers laid before the Committee:*

Statement of the yearly sales of public land in South Australia effected in England and in the colony, *App. p.* 218——Monthly statement of sales of public land in South Australia during 1839, and the first half of 1840, effected in the colony, *App. p.* 218, 219——Monthly statement of sales of public lands in South Australia, during the years 1839, 1840, effected in England, *App. p.* 219——South Australian Resident Commissioner's half-yearly Report to 30th June 1840, *App. p.* 295–297.

Land Speculation. The South Australian Company have discouraged land speculation; they have sold little of their own land, and have entrusted their manager with limited powers of sale, *Wheeler* 784, 785——The land speculation at the beginning was chiefly carried on by parties because they had nothing else to do, as the lands were not surveyed; it has now nearly subsided, *Ib.* 788——A low price encourages land speculation in distant parts of the colony, *Wakefield* 2900, 2901. *See* also *Surveys.*

Land Surveying Staff, Letter, &c. Letter from the Commissioners, 10 May 1839, respecting the land surveying staff under Lieut. Frome, their appointed Surveyor-general, *Ev. p.* 34——After the letter from the Commissioners, dated 10th May 1839, Colonel Gawler had no authority to exceed the expenses of Lieutenant Frome's staff in taking surveys, *Torrens* 313–317——The general expenditure of Colonel Gawler was expressly limited by his instructions; with respect to surveys he had an unlimited power until it was withdrawn on the appointment of a surveying staff, *Ib.* 318–322.

Landed Securities. It is admitted in all charters of land companies, that they shall be empowered to make loans upon landed security, *Angas* 1825——The prohibition in the charter of the Australasia bank, from making advances on land, is beneficial both to the bank and to the colony, *Brownrigg* 2036–2038——It would be very imprudent in a bank to lock up its funds in landed securities, *Ib.* 2039, 2040——It may be desirable for land owners to raise money on mortgage, but to a bank such security is most unsatisfactory, *Ib.* 2041——If banks were to make advances upon such security, they would encourage land jobbing which is pernicious to the colony, *Ib.* 2042–2044.

Lefevre, John. Letter from J. Lefevre to W. Whitmore, M.P. dated 17 June 1834, containing Mr. Secretary Rice's conditions for the Government supporting the Bill of the South Australian Association before Parliament, *App. p.* 39——Letter from the same to the same, dated 12 July 1834, suggesting certain alterations and modifications in the proposed Bill, *App. p.* 43, 44——Letter from J. Lefevre to W. W. Whitmore, M.P. dated 17 March 1834, relative to the proposed charter of Incorporation of the South Australian Commission, and stating that the proposition of the association must be modified, *App. p.* 33, 34——Letter from J. Lefevre to George Grote, M. P. dated 15 April 1834, signifying Mr. Secretary Stanley's approval of proposed Act, under certain modifications, *App. p.* 37.

Legislative Council. Introduction of popular representation proposed, *Rep. p.* x. xx.

Loans to the Commissioners:

1. *Generally.*
2. *Discussions and Negociations relative to the raising of a Loan in* 1840.
3. *Amount of Loan required: probability and period of repayment.*
4. *Papers laid before the Committee.*

1. *Generally:*

In August 1839 the propriety of a loan was discussed, but the money-market was deranged at that time, and the matter was not then pressing, *Hutt* 1039, 1040——Amount that the Commissioners were empowered to borrow for the Emigration Fund under the first Act, and amount raised, *Ib.* 1046–1049——The only money borrowed by the Commissioners was at the rate of 10 per cent., a portion of which has been converted into annuities at 6½ per cent., *Ib.* 1185–1187——Correspondence with Mr. Freshfield, solicitor to the Commissioners, as to the legality of raising money by bonds receivable in the colony for land, *Elliot* 1329–1335——All that is required is a guarantee from Government in order that the loan may be raised at a low rate of interest, *Whitmore* 837–842——Government should be very cautious in giving facilities to a new colony to raise money at a low rate of interest, *Whitmore* 847——The Commissioners would not have thought it wise to put the colony to a heavy expense for interest while they had a large sum of money in hand, *Elliot* 920, 921.

2. *Discussions and Negociations relative to the raising of a Loan in* 1840:

The Commissioners by raising a loan they would not have saved the colony from ultimate insolvency, *Rep. p.* viii——In consequence of their financial embarrassment, the commissioners applied to the Colonial-office for advice in July 1840; they received the sanction of the Treasury to raise 120,000 *l.* the remainder of their loan under the first Act, but were unable to do so, *Torrens* 78, 79——Witness denies that the Commissioners have any limit imposed by the Act upon their power of borrowing, as stated in their letter of 26th August 1840, *Ib.* 110–117——It was the duty of the Commissioners early in 1840, before the

Reports, 1841—*continued.*

Loans to the Commissioners—continued.

2. *Discussions and Negociations*—continued.

the unauthorized expenditure of Colonel Gawler, to negociate a loan to repay the debt due to the Emigration Fund, *Ib.* 158–164——If the Commissioners had contracted a loan of 120,000 *l.* early in 1840, none of these difficulties would have occurred, *Ib.* 201–205. 3042–3059——Observations upon Colonel Torrens's evidence, *Elliot* 3125.

The loan of 120,000 *l.* might have been raised in July, had not the Commissioners waited for the authority of the Chancellor of the Exchequer for raising a larger loan, *Torrens* 210–212——A loan was not raised in the early part of 1840, beceuse it was not wanted, as the Commissioners had a surplus arising from the Emigration Fund, *Elliot* 615–617——In June 1840 the affairs of the colony became critical, and the Commissioners thought it right to ask the advice of Government before they advertised for a loan, *Ib.* 626——The crisis would have been averted if the money which the Act authorized to be borrowed had been raised in time, *Torrens* 213–215. 219–222.

Directly the Commissioners received Lord John Russell's letter assuring them that Government would recommend Parliament to guarantee the repayment of a loan of 120,000 *l.* they advertised for the loan, *Torrens* 225–227——The Commissioners received only one tender for their loan of 120,000 *l.* from an insurance office, who undertook to lend the money when the Bill had passed through Parliament, *Ib.* 228–230——They then consulted the Chancellor of the Exchequer, who referred them to the Bank of England, *Ib.* 231——Had the loan been negociated in November, the credit of the colony would still have been shaken, but much distress would have been avoided, *Ib.* 286.

The loan was not delayed too late to obtain it, but to the time at which it would not have been honest to take it, as the real state of the finances was then known, *Elliot* 634–637——A loan of 60,000 *l* or 120,000 *l.* in June 1840 would have been quite insufficient to avert the embarrassments, *Ib.* 623–624——A loan of 120,000 *l.* early in 1840 would not have prevented the insolvency of the colony, *Ib.* 638–641——If the Commissioners could have raised the money in July 1840, they would have replenished the Emigration Fund, before they paid their debts in this country, *Ib.* 642——Witness was anxious to raise a lone in June 1840, while the money market was in a sound state and the colony in good credit, and not to lose time by previous communications with Government, *Torrens* 1900——Two forms of account put in by Colonel Torrens, to show whether or not a loan raised in June 1840 would have saved the colony from this crisis, *Ev. p.* 176.

The Commissioners would rather have violated the Act than have conformed to it, if they had raised a loan earlier in the year, *Villiers* 1924——If Government had been anxious for the welfare of the colony, the necessary funds might have been borrowed upon their guarantee and charged upon the colony, *Wakefield* 2602–2607——If the embarrassments of the colony had been relieved by a loan, they would only have been greater in the end, *Wakefield* 2985–2989.

Witness did not shrink from the responsibility of recommending re-payment by the appointment of a Committee, but thought that the best mode of considering the question in Parliament, *Chancellor of the Exchequer* 342–346——Witness had no part in any transactions previous to the application of the Commissioners to him, *Ib.* 350–351——The Government would not have been pledged to any particular course if the Commissioners had found persons willing to advance the money in the first instance, *Ib.* 354——A misunderstanding arose in the city as to the nature of the guarantee explained in the advertisement for the loan, *Angas*, 433–439, 446–447——There was much prejudice in the city against the colony itself, which increased the difficulty of raising a loan, *Ib.* 448——There would have been no difficulty in obtaining the loan, had it not been for the prejudice existing against South Australia, *Ib.* 456–467——An impression prevailed in the city that the guarantee offered by Government was not in the usual form, *Ib.* 584–585.

3 *Amount of Loan required; probability and period of re-payment:*

The period in which the loan may be repaid will depend upon the future operations of the colony, *Angas* 747——A loan of 150,000 *l.* would discharge existing liabilities, and leave in the hands of the Commissioners 52,000 *l.* for continuing emigration, *Torrens*, 154——If 240,000 *l.* were authorised to be raised for the colony in five years, the colonists would be able to pay off the whole, together with their present debt, if they had control over the expenditure, *Angas* 503—506.

4. *Papers laid before the Committee:*

Letter from Rowland Hill to Sir George Grey, dated 18 February 1836, respecting the proposed amendment of the Act to authorise loans by annuities, *App. p.* 68——Letter from J. Stephen to South Australian Commissioners, dated 25 February 1836, to submit draft of their proposed Bill for that purpose, *App. p.* 68——Letter from R. Torrens to Lord Glenelg, dated 1 June 1836, transmitting draft of Bill proposed by the Commissioners, *App. p.* 69——Letter from J. Stephen to R. Torrens, dated 5 July 1836, with further amendments required in the draft of the Bill, and deferring consideration of the question, *App.p.* 71.

Reports, 1841—*continued.*

Loans to the Commissioners—continued.

4. *Papers laid before the Committee*—continued.

Memorandum of agreement between the Colonization Commissioners for South Australia and Mr. John Wright, with reference to a loan of 41,000*l.*, *App. p.* 180, 181——Copy of a letter from Rowland Hill to Mr. J. Stephen, dated 14 April 1837, respecting the contract with Mr. Wright for a loan of 41,000. *l*, *App. p.* 181——Monthly statement of ways and means for the year 1840, on the assumption of a loan of 120,000 *l.* having been raised in June, payable by equal instalments in the months of July, September, and November; and also on the further assumption of one emigrant ship having been dispatched in each of the months of September, October, and November, *App. p.* 266.——Monthly statement of ways and means for the year 1840, on the assumption of a loan of 120,000*l.* having been raised in June, payable monthly, by six equal instalments, commencing on the 1st July; and also on the assumption that no emigrant ship was dispatched after August, *App. p.* 267.

Letter from Colonization Commissioners to Lord John Russell, dated 7th July 1840, relative to the financial difficulties of the colony, and proposing a loan of 120,000 *l.*, *App. p.* 84——Letter from C. E. Trevelyan to J. Stephen, dated 18th July 1840, sanctioning the proposed loan of 120,000 *l.*, *App. p.* 91.

See also *Bank of England. Expenditure. Financial Embarrassments. Interest, Rate of.*

Lottery. About 60,000 acres have been put up for sale to persons whose priority of choice was determined by lot; not more than half that land was taken up by the parties at the time, *Hill* 2388–2405.

M'Gowan, Mr. In 1839 Mr. M'Gowan had a very excellent school in Adelaide, *M'Shane* 1459–1460.

M.

M'Laren Vale, Onkaparinga. In this vale there are 12 settlers who possess 2,000 sheep and 200 cattle, and 70 acres under crop, *Rundle* 1974.

M'Shane, Alexander, M.D. (Analysis of his Evidence.)—Went out to South Australia in 1839 as surgeon in an emigrant ship, remained there nine months as superintendent of emigration, and returned in consequence of an accident, 1367–1379——The soil near Adelaide, and for some distance up the hills, was very good, and cultivated in the usual manner, 1380–1388——If the population remained stationary, the colony would produce enough food for them in two years, 1389–1392——There is not much land in cultivation at a distance from Adelaide, 1393–1397——Average price of flour in the colony, 1398–1404——The emigrants were chiefly small farmers and mechanics, and found ready employment, 1405–1407——Rates of wages, 1408–1410——Cost of living, 1411–1413.

The agricultural labourers were willing to go to farms remote from Adelaide, but persons from London found employment in the town, 1414, 1415——The labourers in the country have mere huts made of stakes, branches, and mud, 1416, 1417——The useful emigrants were all satisfied with their condition, except under particular circumstances, 1418, 1419——The climate is, upon the whole, salubrious; there was no epidemic disease or malaria, and the people had good health, and looked healthy, 1419, 1420——In summer, the temperature ranges from 70 to 105, and in winter is rarely under 40 or 50, 1421–1426——Diarrhœa and dysentery are the most prevalent diseases, 1627——Some of the emigrants are attacked by them on arriving, chiefly on account of errors in diet; from July to December there is least disease amongst them, 1429–1433——The emigrants in witness's ship all landed in perfectly good health, 1434–1437.

The best time for sailing is from February till June, 1438——There is more disease at the beginning than at the end of summer, 1440——Witness's emigrants principally from Cornwall, and a few from Norfolk; they were unexceptionable, 1441–1444—The emigrants are of sober and industrious habits generally, but there is a considerable consumption of spirits in the colony, 1445–1448——Out of several thousand emigrants, witness was only able to make out 20 as objectionable upon any ground, 1449–1451——The proportion of children amongst the emigrants was not large; about one-half would be adults, 1452, 1453——Number of schools at Adelaide, and their description, 1454–1460——The aborigines are capable of being educated to a certain point; there is a school for them at Adelaide, 1461, 1462.

South Australia offers greater temptations than Canada to emigrants, 1463-1468——Witness never heard of more than one emigrant leaving the colony, 1469——The demand for labour and the supply were about equal, 1472-1475——Living was expensive at Adelaide; prices of food, 1476–1478——Payments were made in specie and paper; both were of equal value, and easily convertible, 1479–1495——House-rent in Adelaide was high, 1496——Witness's salary, 1497, 1498——Fuel is cheap, as there is abundance of timber in the neighbourhood, 1499–1504——The roads to the port and bay are sufficiently good, 1505——There are several market gardens to supply the town with vegetables, 1507——Land has been sold for cultivation at 10 *l.* an acre in the neighbourhood of the town, 1508.

Reports, 1841—*continued.*

M'Shane, Alexander, M.D. (Analysis of his Evidence)—continued.

Settlement of Encounter Bay, 1509–1511——Abundant supply of water in the colony, 1512–1516—There has been an export of wool and of oil, the produce of the Encounter Bay Fishery, 1517, 1518——In the hills, there is abundance of water for sheep and cattle, 1519——The population of Adelaide and neighbourhood was between 7,000 and and 8,000; the streets are laid out for an increase, 1520, 1521——Public works in progress, 1522——Abundance of brick-clay and lime, 1525, 1526.

Ships cannot come within six miles of Adelaide; position of the new port; the town is well situated for a capital, 1527–1537——The old port will be abandoned, 1538, 1539——The South Australian Company were carrying on large undertakings, which were looked upon with favour by the inhabitants, 1540–1545——Banks, and by whom managed, 1546–1554——Public institutions, 1555——The hospital; how supported, 1554–1558——The government-house was thought larger than necessary, 1558*–1559——The public works were considered a misapplication of the funds of the colony, and tended to divert labour from the land, 1559*–1561*——The police was not greater than required on account of runaway sailors and convicts, 1562–1576——There are no means of excluding convicts, or of apprehending them except for crimes, or on a warrant from a magistrate in New South Wales, endorsed by a magistrate of South Australia, 1577–1584.

The aborigines are generally well treated by settlers, and are not hostile, 1585–1589——Their condition, habits, and intelligence, 1590–1602——There are several settlers having considerable capital, 1603–1609——Clothing is all imported from England, 1610–1612——Good shops and streets in Adelaide, 1613, 1614——The houses of the labouring population compared with English cottages and houses in towns, 1615–1626——Places of worship, 1630–1635——German settlers, 1637–1646——Abundance of cheap fish, 1647–1649——Several ships belong to settlers, 1650–1652——The whale fishery is carried on by boats, 1653–1656——Game and poultry, 1657–1659——Horses are principally from Van Diemen's Land, 1660——The public buildings were commenced too soon, 1661–1664.

The system of special surveys was unnecessarily expensive, 1665–1673.——If the present financial difficulties were removed, the resources of the colony would in future defray its own expenses, but not perhaps the interest of its debt, 1674–1676. 1679–1682——Land might be sold at more than 1 *l.* an acre, to defray the cost of surveys, but not much, or settlers would go elsewhere, 1677, 1678.

Mann, William. (Analysis of his Evidence.)—Visited South Australia in December 1838 for about three weeks, to see if it was better than other colonies, 2126——Formed the opinion that about four-fifths of the land in the province is bad, and that the special survey system would take away all the good land, and leave the bad for those that come after, 2127–2132. 2140–2148——The population was then about 6,000 or 8,000, but several people have left the colony for Port Philip, and some even returned in the same ship, 2135–2136——Witness formed an opinion that the colony would soon come to stand still for want of revenue, and that all the good land would be appropriated, leaving the rest almost valueless, 2137–2139——It appears from newspapers that ships have sailed from Adelaide with emigrants for New Zealand, 2149–2152——A great number of ships ply between Adelaide and Van Diemen's Land; the voyage is about 10 days, 2157, 2158.

There is no jealousy of South Australia on the part of the other Australian colonies, 2165, 2166——There is a great export of wheat from Van Diemen's Land to South Australia, 2167–2170——Colonel Gawler's description of the soil of South Australia is highly coloured, 2171, 2172——The only crop of wheat witness saw was about two acres, and so thin, that it might have been mowed with a scythe, 2174——It was said to be some of the best land, 2183–2186——The mineral productions were not thought promising, 2176, 2177——There have not been many complaints of persons emigrating from Van Diemen's Land to other Australian colonies; if wages are higher in any colony, people will go there, 2182——The land is better adapted to pastoral purposes, as in the other Australian colonies, 2187–2191——The people were gambling in town allotments instead of cultivating the land, which was very prejudicial to their interests, 2195.

Marble. In the Barossa range, at a distance from the port of Adelaide of about 35 miles, there is a very superior description of marble, *Angas,* 1735–1737.

Market-gardens. There are several market-gardens in the neighbourhood of Adelaide, for the supply of vegetables, *M'Shane* 1506.

Marriages. The natives have a practice similar to the Jews, that, when a man dies, his brother takes his wife, *Angas* 2417.

Masons. In 1839, masons found ready employment on their arrival in the clony, at the rate of 12 *s.*, 14*s.*, or 15*s.* a-day, *M'Shane* 1408, 1409.

Reports, 1841—*continued.*

Meat. In 1838, witness paid 1*s.* per lb. for meat, *Driver* 2491——In 1839, beef and mutton were very plentiful, and could easily be obtained at 10*d.* a pound, in any quantity, *M'Shane,* 1477——Price of, in South Australia, *App. p.* 246.

Mechanics' Institute Literary Society. At Adelaide there is a Mechanics' Institute Literary Society, *M'Shane* 1555.

Melbourne. In the formation of the town of Melbourne, at Port Phillip, the land was sold by auction according to its value; country lots averaged 10*l.* an acre, *Hill* 2369——In the case of Melbourne the land was pointed out and surveyed, and persons knew what lots they were bidding for, *Wakefield* 2659.

Menge, Joseph. Topographical collection of rocks and minerals, from the ranges of hills in South Australia; by Joseph Menge, *App. p.* 205–207.

Mills, Samuel. (Analysis of his Evidence.)—Colonization Commissioner for South Australia till the dissolution of the late Board, 978–980——The letter dated 9th December 1839, desiring an interview with Lord J. Russell respecting the remuneration of the commissioners, was not authorized by the Board, 981–987——It was an understood condition, when commissioners accepted the office from Lord Glenelg, that they were not to receive any salary, 988–990——A proposition was made for the payment of coach-hire to the commissioners, but the majority decided against it, 991–995——The object of the interview sought for by the commissioners was the general state of the colony, and Colonel Torrens had no authority for the letter he wrote, 996–1000——Witness was not aware of Colonel Torrens's application until the answer of Lord J. Russell, stating his intention of appointing new commissioners, 1001–1003.

Minerals in South Australia. There are not less than a hundred species of minerals in the colony, *Angas,* 1740——The mineral productions of the colony in 1838 were not thought promising, *Mann* 2176, 2177.

Meyer, Mr. (Extract of letter from Mr. Meyer, dated 15th August 1840.)—" A spacious school-house has been erected by Government, in which the missionaries instruct a number of the neighbouring native children in singing, spelling, and reading their own language; we are truly gratified with the black half-naked little creatures, their good conduct and attentive countenances," *Angas* 2416.

Montefiore, Mr. Corrections in the draft Mr. Montefiore's letter of the 8th January 1841, *Torrens* 1904–1916.

Moral Condition of the Colony. The religious and moral condition of the colony, for a new colony, is very good; the only serious evil in it is in the convict refugees from the neighbouring colonies, *Angas* 1877–1878.

Motte, Mr. *Standish.* There is a very valuable code of laws for the natives, drawn up by Mr. Standish Motte, *Angas* 2444.

Mount Barker. In the district of Mount Barker, about 24 miles from Adelaide, there are some farms of considerable extent, *M'Shane* 1395, 1396——It is 30 miles from the nearest coast, *M'Shane* 1513——Land has been sold in the district as high as 8*l.* an acre, *M'Shane* 1508——The district contains 500 acres crop, 200 sheep, 1,800 cattle, *Rundle* 1974.

Municipal Corporation Act for Adelaide. By the Municipal Corporation Act for Adelaide, no man is allowed to vote who does not occupy to the extent of 20*l.* a year, and no man is qualified to hold office who does not occupy to the extent of 50*l.* a year, *Rundle* 1971——Municipal Corporation Act for the City of Adelaide passed the Legislative Council of South Australia 17th August 1840, *App. p.* 207–215——Schedules referred to in the Municipal Corporation Act for the City of Adelaide, *App. p.* 215.

Murray River. A portion of the land between the Gulf and the Murray is sold, *Angas* 1868——The river Murray was navigated by Captain Sturt in boats from the top to the bottom, *Angas* 1870.

N

Napier, Colonel *Charles James.* Letter from Colonel Napier to the Colonization Commissioners, dated 28th May 1835, for South Australia, resigning the governorship of the colony, *App. p.* 53.

Navigation of Rivers. The South Australian Company had to encounter the difficulty of exploring the first navigation of the rivers, *Angas* 364.

Necessaries of Life. Prices of, in South Australia, *App. p.* 246.

New South Wales. Estimate of the revenue of New South Wales as compared with the population in 1835 and 1838, *Elliot* 925.

New Zealand. There has been very little emigration from South Australia to other colonies: there is little intercourse with New Zealand, *Angas* 404–406——Number of vessels that have sailed from South Australia to New Zealand; tonnage; number of passengers, *Angas* 1733, 1734——Number of vessels that have arrived in South Australia from New Zealand since the establishment of the colony; tonnage; number of passengers, *Angas* 1733——It appears from newspapers that ships have sailed from Adelaide with emigrants for New Zealand, *Mann* 2149–2152.

The cost of clearing land in New Zealand is estimated at from 20 *l.* to 30 *l.* an acre, *Whitmore* 906——In New Zealand the land is sold at the uniform price of 1 *l.* an acre, *Wakefield* 2708–2711——It would be as easy to sell land in New Zealand for 3 *l.* an acre as for 1 *l.*, *Wakefield* 2721——Great mischief will arise there from the want of surveys; a survey must precede the actual giving possession, *Wakefield* 2712–2713.

North Arm. Most of the ships water at North Arm in the harbour of Adelaide; the water is not very good, *Fell* 2818–2824.

O.

Officers in the Colony. The ineffectiveness of the officers sent out arose partly from divided responsibility, and partly from the limited chance there was among persons emigrating to an unexplored colony, *Hill* 2276–2280.

Oil. There has been an export of oil, the produce of the Encounter Bay fishery, from the colony, *M'Shane* 1518.

Outfit of the Colony. The outfit of the colony might have been provided by a loan raised at a low rate of interest if a survey had been made of the colony before its settlement, as persons lending money would have known the nature of their security, *Hill* 2293–2308.

See also *Expenditure.*

Overtrading. It has been apprehended lately that there has been overtrading in the colony, *Brownrigg*, 2061.

P.

Palmer, George. (Analysis of his Evidence.)—One of the Board of Colonization Commissioners for South Australia till its dissolution, 1282——Each of the commissioners was required by Lord Glenelg to engage to serve gratuitously, and to give six months' notice before he relinquished office, 1283——The letter written by Colonel Torrens, requiring an interview with Lord John Russell, did not state the view of the commissioners in mentioning the salaries of the commissioners, 1283–1291——The Secretary of State would naturally infer from that letter that the commissioners wanted remuneration for their services, 1292——In reply to it a letter was received from Lord John Russell, stating that the whole commission were dismissed, 1293–1296——The truth is, that an attempt was made to make the commissioners ask for salaries, and it failed, 1297–1299.

With respect to Colonel Torrens's salary as chairman, Lord Glenelg would not decide until he had had the opinion of each of the commissioners, 1300–1302——He received his salary from the day on which the commission was gazetted, 1304——If witness's opinion as to the payment of the commissioners had been asked, he would have suggested two guineas for the chairman, and one for each commissioner who attended a Board, 1305——The Boards were held once a week, 1306.

Palmer, George, M. P. Letter from Mr. George Palmer to Colonel Torrens, dated Nazing, 6 July 1835, desiring the insertion of his son's name in lieu of his own as a commissioner for South Australia, *App. p.* 49.

Parker, John, M. P. Letter from J. Parker, M. P. to the Lords of the Treasury, containing a report on the financial circumstances of the colony, *App. p.* 109.

Park Lands, Adelaide. Memorandum: By a despatch from the Colonization Commissioners, dated 1st September 1838, Colonel Gawler was authorized to purchase the park lands around Adelaide, without specifying any particular sum, *App. p.* 238.

Parliamentary Committee. The intervention of a Parliamentary Committee could not affect one way or the other, the obligation which the Government would have undertaken, *Chancellor of the Exchequer*, 347, 348——A Committee might not have been satisfied with the expediency of having made an advance, but could not have recommended that public faith should have been broken, *Chancellor of the Exchequer*, 356.

Reports, 1841—*continued.*

Pennington, James. Minute by James Pennington on the subject of the finances of South Australia, *App. p.* 220–223.

Police Establishment of the Colony:

1. *Generally.*
2. *Papers laid before the Committee.*

1. *Generally:*

There was no necessity for a large police force; the people ought to have protected themselves, *Torrens*, 190–193.——A considerable reduction might take place in the police; it has been an unreasonable pressure upon the colony that they should have a police strong enough to resist the influx of convicts from the interior, *Angas* 523——A strong police force is necessary, and they are obliged to be mounted for the border stations; there are runaway convicts and disorderly sailors to protect the settlers from, *Elliot* 682–684.——The police should be paid by some direct taxation, and the colonists would then keep just the force that was found necessary, *Elliot* 687——The police should be provided for by local taxation, *Rundle* 1952——If troops were sent to the colony the police force would be equally required; it is found necessary in New South Wales, *Elliot* 700, 701——The large police force is rendered necessary by the escape of convicts from the penal settlements, which was not anticipated, and which is a hardship upon the colony, *Whitmore* 875–887——In any new colony a considerable police force must be required to maintain the public peace, *Whitmore* 888–896.

Charge for police in South Australia, as compared with New South Wales and Van Diemen's Land, *Elliot* 936–952——Wages of police compared with wages of labourers, *Elliot* 1353–1356——The wages of the constables seem to be much higher in South Australia than in Van Diemen's Land and New South Wales, *Elliot* 1353——The police is not greater than required, on account of the runaway sailors and convicts, *M'Shane* 1562–1576——The police could not be reduced unless some more stringent means were employed to prevent the entrance of bad characters into the colony, *M'Shane* 1680——In consequence of the dishonour of the Governor's bills, the police will be discharged, and the property and lives of the inhabitants must of course be greatly endangered, *Angas* 420.

2. *Papers laid before the Committee:*

Memorial of the force to the commissioners of police, City of Adelaide, South Australia, *App. p.* 99——South Australian resident commissioner's half-yearly report, to 30th June 1840, *App. p.* 294——Morning states of the mounted police for the weeks ending 20 December 1840 and 3 January 1841, *App. p.* 312——Morning states of the metropolitan and port police for the week ending 27 December 1840, *App. p.* 313——Morning reports for the week ending 27 December 1840, with the name, crime and punishment, *App.* p. 313——Morning states of the metropolitan and port police for the week ending 3 January 1841, *App. p.* 314——Morning reports of the metropolitan and port police for the week ending 3 January 1841, with the name, crime and punishment, *App. p.* 314.

Population of the Colony. Amount of population of the colony according to the last advices, *Torrens* 87, *Ev. p.* 9——The population of the colony is about 14,000, *Angas* 403——Estimate of the revenue of South Australia, as compared with the population, *Elliot* 923——The population of Adelaide and neighbourhood in 1839 was between 7,000 and 8,000; the streets are laid out for an increase, *M'Shane* 1520——In December 1838 the population was then about 4,000 or 5,000, but several people have left the colony for Port Phillip, *Mann* 2135, 2136.

Return intended to show the probable population of South Australia, at the end of 1838, 1839 & 1840, as far as can be estimated from the known immigration from other places; the results confirmed by extracts from the resident commissioner's despatches, *App. p.* 217.

Ports of South Australia. The present port at Adelaide is in every respect a good one; it has been removed a mile lower down than it was, *Trimmer* 1268——The old port of Adelaide will be abandoned, *M'Shane* 1538, 1539——In the new port of Adelaide there is a depth of water for vessels of 500 tons at low water, *Rundle* 1946, 1947——Depth of water at the new port; the current is strong where there are spring tides, *Fell* 2805–2807——A ship of the size of the Catherine Forbes (457 tons) can lie with safety within about 20 yards of the new port, *Fell* 2794–2804——In 1839 the Catherine Forbes (457 tons) lay a-breast of the new port, *Fell* 2836-2838——The expense of carrying goods from the landing-place to the town is greater from the new port than the old, *Fell* 2862–2866——Extract from the South Australia Register, dated Adelaide, 17th October 1840, on the opening of the new port, *App. p.* 315–320.

See also *Adelaide Harbour.*

Reports, 1841—*continued.*

Port Lincoln. Is described as a most splendid harbour, with 3,000,000 of acres of rich soil, *Elliot*, 736——There is a tribe of aborigines, consisting of above 100 persons, at Port Lincoln, *Angas* 2411.

Port Philip. In the case of Port Philip the Government has obtained the premium upon land instead of individuals, but the circumstances were very different from those of South Australia, *Wakefield* 2652–2657——The same system in the latter place would not have realized an equal profit, as there would not have been the same competition, *Wakefield*, 2658, 2659——The new settlement in Porth Philip, close to South Australia, will be beneficial to the colony, *Elliot* 3038, 3039.

Portland Bay. Copy of a despatch from Governor Sir George Gipps to Lord John Russell, dated Syndey, 27 October 1840, stating the circumstances under which it would be necessary to form a government establishment at Portland Bay, *App. p.* 276.

Potatoes. Potatoes are now grown in South Australia to a considerable extent, and seem to succeed very well, *Angas* 1856.

Poultry. There is a great quantity of poultry in the colony, *M'Shane* 1658.

Price of Land:

1. *Propriety of a fixed Price considered.*
2. *Importance of establishing a sufficient Price.*

1. *Propriety of a fixed Price considered:*

Competition preferred to a fixed price by the Committee, *Rep. p.* xi–xvi. xxii—— The increased price of land is caused by the prosperity of the colony, and not by speculation, *Trimmer* 1273–1277——The high price of land is not peculiar to South Australia, but is equally high at Sydney, where in some cases the Government, and in others individuals, have the benefit of it, *Rundle* 1979–1989——In New South Wales the public get the benefit of the high price of land; in South Australia individuals get the benefit, *Rundle* 1982——It is desirable that there should be as much uniformity as possible in the price of land in different but neighbouring colonies, to prevent emigration from one to another, *Wakefield* 2704–2707——A fixed price for land is preferable to a price varying according to its quality; persons purchasing in this country would be unwilling to run the risk, unless they had a chance of getting land of a high value, *Hill* 2361–2370——The consequence of a uniform price is, that the best lands in point of fertility and position come first into occupation and cultivation; this was contemplated by Mr. Gibbon Wakefield, *Hill* 2371–2380——A fixed price causes the land to be occupied in the ordinary course; there would be no advantage in inducing persons to occupy land of inferior fertility, *Hill* 2381–2387——In the United States, the price at which the land is sold, although put up to auction, is practically very little higher than the minimum, *Wakefield* 2634–2637.

Private persons had the benefit arising from enhanced prices, which the Government might have secured, as in the case of Melbourne; but then there might have been no colony at all, as there would have been no inducement to purchase, *Wakefield* 2614–2631——Before a colony is founded land has no marketable value; when the property of particular individuals has been determined, then superior position possesses a marketable value, *Wakefield* 2633.

2. *Importance of establishing a sufficient Price:*

The minimum price should be immediately raised, and afterwards from time to time, *Rep. p.* xviii. xxii——Letter addressed by witness to the commissioners, 2d June 1835, as to the price of land to be fixed, the necessity of fixing a sufficient price in the first instance, and the principles which should be kept in view in managing sales of land, *Wakefield, Ev. p.* 232–239——If the price of land had been fixed in the first instance at 20*s.* an acre instead of 12 *s.*, an equal number of persons would have emigrated upon speculation, *Wakefield* 2608–2610——If a proper price were put upon land in a new colony, the proceeds would be sufficient not only for emigration but for the repayment of any debt, the Government establishments, and improvements, until the country became entirely settled, *Wakefield* 2717–2729——Land might be sold at more than 1 *l.* an acre to defray the cost of surveys, but not much, or settlers would go elsewhere, *M'Shane* 1677–1678——The price should be gradually raised till the state of the colony shows that the proper point has been arrived at, *Wakefield* 2730. 2732.

Land would sell for 2 *l.* or 3 *l.* an acre, as well as it did some years since for 5 *s.* in New South Wales, *Wakefield* 2896——Principle upon which a medium price might be determined, *Wakefield* 2897–2899——A low price of land throws away much public property, *Wakefield* 2902——The price of land should be gradually raised, beginning at 2 *l.* as the minimum, *Wakefield* 2905–2911——An Act should be passed disabling Government from again lowering the price, *Wakefield* 2912–2915.

The sale of lands should be managed by an officer of this country, who should keep the same minimum price in all the Australian colonies, *Wakefield* 2916–2921——The maximum price would depend upon the competition, *Wakefield* 2922, 2923——The rise in

Reports, 1841—*continued.*

PRICE OF LAND—continued.

2. *Importance of establishing a sufficient Price*—continued.

in the price of land would at first diminish the sales, and induce individuals to sell their lands, thus giving a double check to emigration, *Wakefield* 2924-2936——If the price of land were increased, confidence would be raised in the success of the colony, and the proportion of lands now appropriated is comparatively small; persons also would prefer buying land, the price of which would be applied to emigration, *Wakefield* 2937–2949 ——No check was sustained by New South Wales in 1831 from the increased price of land, but an impulse was given, *Wakefield* 2956–2962.——The price of land has been too low in South Australia, and labourers taking advantage of it have clubbed together and bought land, instead of working for hire, and have thus raised wages enormously, which is a great evil, *Wakefield* 2696–2703.

See also Auction. Clearing Land. Land Sales. Surveys. Town Lands. Value of Lands.

Proceedings of the Committee, Rep. p. xxiv. *et seq.*

Production and Exports. The object of the South Australian Company has been to assist the resources of the colony, and have used caution in fostering none but proper commercial transactions, or such as would promote production and exports, *Wheeler* 784.

Promissory Notes. Notes as low as 10 *s.* were issued by the South Australian banks in the first instance, for the convenience of the colony; the company will not issue any more as low as that, *Angas* 1834–1838——The bank of Australasia issues no promissory notes lower than 1 *l.*, *Brownrigg* 2084–2089——Small quantity of notes issued in proportion to the circulation in all the Australian colonies; no pains are taken either to increase or limit the issue, *Brownrigg* 2090–2098——It is a wholsome regulation that no notes should be issued below 1 *l.*, *Brownrigg* 2099–2101——The amount of notes in circulation at Adelaide has hardly increased in proportion to the discounts, *Brownrigg* 2102.

Prosperity of the Colony. Opinion that the success of the colony has been complete, *Whitmore* 817–819——It has surpassed witness's expectations, *Whitmore* 820, 821——The colony 18 months ago was in a prosperous state, *Hill* 2312——Explanation and enlargement of answer to question 2312, as to the prosperity and resources of the colony when witness left the commission, *Hill* 3126.

Provisions. The colony grows about half its vegetable food, *Torrens* 293–301——If the population remained stationary, the colony would produce enough food for them in two years, *M'Shane* 1389–1392——Comparisons between the supply of food in the colony and the population, *Angas* 1776–1779——A famine may be apprehended two months after the discredit of the colony, *Torrens* 303–305——Means taken on the first settlement in the colony to bring in provisions from the neighbouring colonies, *Angas* 364 ——The company sent out ships with provisions every three months from the Elbe, *Angas* 416——The price of provisions had fallen to the extent of one half at the date of the last advices, *Angas* 417, 418.

In 1838 about 1 *s.* per pound was the price for all kinds of meat, *Trimmer* 1272—— Cost of living in the colony in 1839, *M'Shane* 1411–1413. 1476–1478——Statement drawn from the report of the price current up to September 11th, 1840, of the price of provisions in the colony, *Angas* 1857, 1858——Prices of various kinds of provisions at Adelaide in 1838, *Driver* 2491, 2492——Prices of, in South Australia, *App. p.* 246.

Provisional Committee of the South Australian Association. Copy of letter from the provisional committee to the Right Hon. E. G. Stanley, dated 7 February 1834, containing a draft of a proposed charter for the South Australian Commission, with some introductory remarks, *App. p.* 21–33.

Public Works and Buildings. A considerable charge may still have to be incurred in public buildings; the state in which many are that have been commenced is still unknown, *Elliot* 688–693——The expense of public buildings should not be charged upon the emigration fund, but ought to be borne by the colony itself, *Hutt* 1020—— Distress will be suffered by the discontinuance of the public works, *Torrens* 287–291 ——Instructions contained in the third report, directing Colonel Gawler to submit to the Commissioners estimates of public works before he undertook them, *Torrens* 323, 324——Public buildings still remaining to be constructed, and probable expense, *Elliot* 964, 965——Public works in progress in 1839, *M'Shane* 1522.

The public works were considered a misapplication of the funds of the colony, and tended to divert labour from the land, and thereby keep up the price of food, *M'Shane* 1559*–1561*——The public buildings were commenced too soon, *M'Shane* 1661–1664 ——If the money has been judiciously laid out for those purposes, nothing more will be required for a long time, *Rundle* 1958——The chief expenditure for the erection of public buildings and works in the colony was incurred in this country; the materials were sent out in as finished a state as they could be forwarded for the purpose, *Hill* 2218—South Australian resident commissioner's half-yearly report, to 30 June 1840 *App. p.* 293, 294.——*See* also *Government House. Roads.*

R.

Receipt and Expenditure. Statement of J. A. Jackson, colonial treasurer and accountant-general, of expenditure and receipt of the colony, for the quarter ending 31 December 1839, *App. p.* 99–101——Abstract of receipts and expenditure of the Colonial Government, for the quarter ending 31 December 1839, *App. p.* 133.

Redemption of Land. The price of redemption of land from the South Australian Company is 1 *l.* 10*s.* per acre, *Angas* 745.

Reserves for the Natives. It is highly desirable that in future sales of land a portion should be reserved for the use of the natives, *M'Shane* 1590——The suggestion in the first report of the Commissioners, that a proportion of the land should be given to the natives, could not be carried into effect without violating the law, *Angas* 2436–2439——The protector in the colony should have the power of setting apart a small portion of land to the natives only when they show a disposition to cultivate, and the proportion of that land should be increased in the ratio of their good conduct and industry, *Angas* 2441–2444.

Resident Commissioner. Instructions to the resident commissioner of South Australia in regard to the receipt and expenditure of the public money, *App. p.* 230–232.

See also *Governor of the Colony.*

Revenue of South Australia. Rate per annum yielded by the ordinary revenue of the colony, *Torrens* 87, *Ev. p.* 9——The colonial revenue had risen to nearly 30,000 *l.* a year, and there was 20,000 *l.* in addition upon which Colonel Gawler had authority to draw, *Torrens* 197–199——The security of the colonial revenue would be very deficient even to provide for the payment of the interest of the debt, *Elliot* 722, 723——Prospects of an increased revenue, *Elliot* 728–730——Statements of the revenue in different quarters of 1839 and 1840, showing a progressive increase, *Elliot*, 651–660.

A debt was contemplated in the case of South Australia, but only on the security of its own revenues, *Whitmore* 832–835——Considering the short time the colony has been established, its rapid progress and the few sources of taxation yet in existence, there is no doubt that the revenue will meet all expenses and the interest of the debt, *Whitmore* 836——A great increase of population and capital are to be expected; more taxes could be imposed and the expenditure reduced, so that the revenue could meet the debt, *Whitmore*, 848–860——Estimate of the revenue of South Australia, as compared with the population, *Elliot* 923——Witness never thought it necessary for the commissioners to exercise an absolute control over the revenue of the colony raised by taxes, *Hutt* 1063–1066.

The expectations originally formed of the amount of the revenue have not been disappointed, *Hutt* 1067–1070——If the present financial difficulties are removed, the revenue may be expected to increase in proportion to the population, *Hutt* 1146–1148——Any increase of expenditure beyond the sum provided by the commissioners was expected to be met by an increasing colonial revenue, *Hill* 2210–2213——A diminution of revenue may be at first anticipated on account of the financial difficulties, *Angas* 547, 548——How far the revenue is likely to be injuriously affected by the curtailment of the Government expenditure, *Elliot* 719.

Return of the amount of revenue raised from the customs and wharfage dues in South Australia during the period from 1st January to 30th June 1839, *Ev. p.* 179——Similar return from 1st July to 31st December 1839, *Ev. p.* 179, 180——The current revenue of the colony may be estimated at 40,000 *l.* a year, *Rundle* 1954——In 1838 witness formed an opinion that the colony would soon come to a standstill for want of revenue, and that all the good land would be appropriated, leaving the rest almost valueless, *Mann* 2137–2139——Public revenue of South Australia for 1839 and the first quarter of 1840, *App. p.* 216.

See also *Debt of the Colony. Finances of the Colony.*

Revenue Bonds. Revenue bonds payable for land, *App. p.* 223, 224.

Revenue Security. South Australia colonial revenue security, 4 & 5 Will. 4, c. 95; 1 & 2 Vict. c. 60, *App. p.* 224, 225.

Rice, Right Honourable *T. Spring.* Conditions of Mr. Secretary Rice upon which Her Majesty's Government will approve the introduction of the proposed Bill of the South Australian Company into Parliament, *App. p.* 39.

Roads. Colonel Gawler has spent money upon roads; but these should be made and supported by local assessments or by contributions of labour, *Elliot* 694–697——A charge upon the revenue for making roads is quite unnecessary; in every colony the residents along the line ought to make the road, *Elliot* 698——The general revenue ought not to provide for ordinary roads, but there may be roads which Government ought to assist in constructing, *Elliot* 965, 966——The roads should be provided for by local taxation, *Rundle* 1952.

Reports, 1841—*continued.*

Roads—continued.

From the borders of the old settled part of New South Wales to Port Philip, 300 miles, there is a road which may be travelled in any wheeled carriage in the colony, that has not cost a single shilling to the public funds, *Elliot* 698——The company made cash payments for a road constructed by them across a swamp, *Wheeler* 781——The roads to the port and bay of Adelaide are sufficiently good, *M'Shane* 1505——Letter from Colonel Gawler to the Colonization Commissioners, dated Adelaide, 24th November 1840, respecting the opening of the new road to the new port, *App. p.* 265, 266.

Royal Grants. Abstract or description of certain powers granted by the Government of England to individuals or bodies corporate for the foundation and government of colonies, *App. p.* 23.

Rundle, John, Esq. M. P. (Analysis of his Evidence.)—Connected with the South Australian Company, 1942, 1943——Concurs entirely in the statements of Mr. Angas, 1944, 1945——Number of town acres held by the company; number that were original purchases, 1946——Value of the new port at Adelaide, 1946, 1947——The police and roads should be provided by local taxation, 1952——Current revenue of the colony, 1954——The land sales should be held liable to the expenses of surveys, 1955——If the money for public works has been judiciously laid out little more will be required for a long time, but they have been pressed forward with undue rapidity, 1957–1960.

If the surveying staff had gone out before the colonists, the survey might have been made at one-third the cost, 1961——Hardship of making the colonists liable for losses arising out of circumstances over which they have had no control; propriety of giving them control over the expenditure, 1962–1970——Qualification under the Municipal Corporation Act of Adelaide, 1971–1973——Facts illustrative of the progress of cultivation and the settlement of the colony, 1974, 1975——Shipping at Port Adelaide 1976.

Facilities should be given to parties buying land in England to take out emigrants of their own choice for the purchases they make, 1977, 1978——The high price of land is not peculiar to South Australia, but is equally high at Sydney, where in some cases the Government, and in others individuals, have the benefit of it, 1979. 1989——An equal proportion of males and females is now required to be sent out to Australia, and fully one-half of the persons sent out have been females, 1989–1991.

Rundle, John, M.P. Papers delivered in by John Rundle, M.P., *App. p.* 207–215.

Russell, Lord *John.* Deputation to Lord John Russell; his Lordship's anxiety to give assistance to the colony, *Angas* 427–432——In reply to the letter of Colonel Torrens, a letter was received from Lord J. Russell, stating that the whole commission were dismissed, or to that effect, *Palmer* 1293–1296——Letter from his Lordship to the commissioners, dated 5th November 1840, transmitting the Treasury Minute of 3d November, stating the guarantee to be given by Government to enable the commissioners to raise a loan, and stating that the commissioners are not to expend money raised under such guarantee, without specific authority from the Board of Treasury, *App. p.* 122——Letter from to Governor Gawler, dated 26th December 1840, notifying his recal, and the appointment of Captain Grey as his successor, *App. p.* 135——Letter from to Captain Grey, dated 29th December 1840, with instructions with respect to correspondence, special surveys, &c., *App. p.* 149, 150.

Copy of despatch from Lord John Russell to Colonel Gawler, dated 13th July 1840, transmitting report of commissioners on the financial difficulties of the colony, and calling for explanation, *App. p.* 90, 91——Letter to the Colonization Commissioners, dated 23d December 1839, dissolving the commission, and formation a Board of three salaried commissioners, for general purposes of land sales and emigration, *App. p.* 83.

S.

Salaries of Officers in the Colony:

1. *Generally.*
2. *Papers laid before the Committee.*

1. *Generally:*

There will be an end of the government, as, in consequence of the dishonour of the Governor's bills, he will obtain no further credit, and therefore cannot pay the salaries of the officers, *Angas* 420——The increase in the salaries of public officers is unnecessary, *Angas* 524——The payments made for salaries of the public officers in the last quarter of 1839, exclusive of the surveys, were at the rate of 20,000 *l.* a year, *Elliot* 664——Salaries could not be reduced but should rather be increased; some officers are very much underpaid; the judge receives only 500 *l.* a year, *Elliot* 665–668.

2. *Papers laid before the Committee:*

Present establishment in South Australia, together with the salary and charges authorized and actually paid, *App. p.* 147——Report of the Board appointed by the Governor

Reports, 1841—*continued.*

SALARIES OF OFFICERS IN THE COLONY—continued.

2. *Papers laid before the Committee*—continued.

to ascertain the prices of the necessaries of life in the province (including servants' wages, food, clothing, and house-rent), with reference to a revision of the salaries at present paid to the various public officers and clerks, and for reporting to the Governor what amount of salary they would recommend to be allowed by the Government to each public servant, *App. p.* 245–248——Present and proposed salaries of officers, *App. p.* 247, 248.

Salaries of the Commissioners. It was an understood condition, when the commissioners accepted the office from Lord Glenelg, that they were not to receive any salary, *Mills* 988–990——A proposition was made for the payment of coach-hire to the commissioners, but the majority decided against it, *Mills* 991–995——The letter dated 9th December 1839, desiring an interview with Lord John Russell respecting the remuneration of the commissioners, was not authorized by the Board, *Mills* 981–987——The object of the interview with Lord John Russell, sought for by the commissioners, was the general state of the colony; Colonel Torrens had no authority for the letter he wrote, *Mills* 996–1000——Witness was not aware of Colonel Torrens's application until the answer of Lord John Russell, stating his intention of appointing new commissioners, *Mills* 1001–1003.

The letter written by Colonel Torrens, requiring an interview with Lord John Russell, did not state the views of the commissioners in mentioning the salaries of the commissioners, *Palmer* 1283–1291——The Secretary of State would naturally infer from Colonel Torrens's letter that the commissioners wanted remuneration for their services, *Palmer* 1292—The truth is, that an attempt was made to make the commissioners ask for salaries, and it failed, *Palmer* 1297–1299.

With respect to Colonel Torrens' salary as chairman, Lord Glenelg would not decide until he had had the opinion of each of the commissioners, *Palmer* 1300–1302——Colonel Torrens received his salary from the day on which the commission was gazetted, *Palmer* 1304——If witness's opinion as to the payment of the commissioners had been asked he would have suggested two guineas for the chairman and one for each commissioner who attended a Board; the Boards were held once a week, *Palmer* 1305, 1306.

Evidence respecting the correspondence of the Board with the Colonial Office on the subject of remuneration to the commissioners; letters produced; members of the Board present upon different occasions, *Torrens & Gliddon* 1887 1900——Letter from R. Torrens to J. Stephen, dated 22 December 1837, in which the commissioners requested an interview on the question of their remuneration, *App. p.* 81.

Sailing of Emigrant Ships. The best time of sailing is from February till June, *M'Shane* 1438.

Savings Bank (Adelaide). There is a savings bank at Adelaide, *M'Shane* 1555.

Self-supporting Principle. South Australia has never been a self-supporting colony, and has never been called so by witness, *Wakefield* 2584——South Australia has been the only colony founded, governed, and protected without any charge to the mother country, *Elliot* 967–970——Witness is still of opinion that the colony will be able to be carried on upon the self-supporting principle, *Hill* 2289–2292——The self-supporting principle will not have failed in South Australia if the colony is ultimately able to discharge all its debts, *Hill* 2346–2360——Copy of a despatch from Lieutenant-colonel Gawler to the Secretary of State for the Colonial Department, dated Adelaide, 15 December 1840, with regard to Colonel Torrens's intention to maintain in reference to the self-supporting system, *App. p.* 289, 290.

Sheep. It would appear by the last advices that sheep and cattle in quick succession were arriving overland from New South Wales, *Torrens*, 87, *Ev. p.* 9——In England there are two and a half sheep to one inhabitant; in South Australia there are 12 sheep to one person, *Angas* 1777.——*See* also *Flocks and Herds.*

Sheep Farming. Sheep farming is the most profitable thing to which colonists can turn their attention, *Angas* 1779.

Shepherdson, Mr. Mr. Shepherdson has an excellent school in Adelaide, *M'Shane* 1459, 1460.

SHIPPING (Adelaide):

1. *Generally.*
2. *Papers laid before Committee.*

1. *Generally:*

There were 17 large ships of 400 or 600 tons; several of the smaller ones belonged to the ship-owners at Adelaide, *Trimmer* 1278, 1279——Ships cannot come within six miles of Adelaide; position of the new port; the town is well situated for a capital, *M'Shane* 1527–1537——

Reports, 1841—*continued.*

SHIPPING (Adelaide)—*continued.*

1. *Generally*—continued.

1527–1537——Vessels lying at Port Adelaide, in November 1840, *Rundle* 1976——The South Australian Company have not many ships of their own trading between London and South Australia, *Wheeler* 2867, 2868——Size of the ships that have entered the harbour of Adelaide; draught of water, *Wheeler* 2871-2873.

See also *Adelaide Harbour.*

2. *Papers laid before Committee:*

Computed from customs' return, enclosed in Colonel Gawler's despatch, No. 50, of 26th November 1839, and No. 26, of 20th March 1840, *App. p.* 216——Statement of shipping arrived in Port Adelaide from 1st January to 31st December 1839; date when arrived; name; tons; where from; cargoes, *App. p.* 203–205——Statement of shipping arrived in Port Adelaide from 1st January to 31st December 1839; date when arrived; name; tons; where from, and cargoes, *App. p.* 203–205.

Shops (Adelaide). There are good shops and streets in Adelaide, *M'Shane* 1613, 1614.

Slate in the Colony. The slate is of a very superior quality, *Angas* 1740.

Society in South Australia. In 1839 the style of society was not expensive, considering the ease with which money was obtained, *M'Shane* 1478.

Soil of South Australia. The occupied part of the colony comprises 3,000,000 acres; a great portion of the north-west is barren, and much of the coast is hilly bad land, *Torrens* 148–153——South Australia may boast of the best soil of any country in New Holland, in some parts of its territory, *Elliot* 736——The soil near Adelaide, and for some distance up the hills, is very good and cultivated in the usual manner, *M'Shane* 1380–1388——Paper put in, No. 5, from Colonel Gawler's despatches, to elucidate the nature of the soil of the north-west part of the colony, *Torrens* 1902, 1903—Abundance of brick-clay and lime, *M'Shane* 1525, 1526.

Between the Gulfs and the Murray there is comfortable room, on good available ground, for from 100,000 to 200,000 inhabitants; the agricultural, horticultural, and pastoral capabilities of this portion of the colony are very great, *Angas* 1770——In 1838 witness visited South Australia, and formed the opinion that about four-fifths of the land in the province is bad, *Mann* 2130–2134——Col. Gawler's description of the soil of South Australia is highly coloured, *Mann* 2171, 2172——The land is better adapted for pastoral than for agricultural purposes, as in the other Australian colonies, *Mann* 2187–2191.

South Australian Company. The company was formed 27th January 1836; its object was to co-operate with the commissioners in establishing the colony, by purchasing land, providing shipping, and establishing a sperm and black whale fishery, *Angas* 364——Capital and shares of the company, *Angas* 365, 366——Amount of subscribed and of paid-up capital, *Wheeler* 755, 756——Amount of circulation and specie in hand at the date of the last return, *Wheeler* 757–759. 763, 764——Amount of other liabilities of the company besides their notes, *Wheeler* 765——The formation of that company and the admirable manner in which thay have conducted the whole of their concerns, is the source to which the present prosperity of the colony is mainly attributable, *Whitmore* 907, 908——The South Australian Company were carrying on large undertakings, which were looked upon with favour by the inhabitants, *M'Shane* 1540–1545——Statement as to the number of shares held by the directors of the South Australian Company, *Angas* 1884—Letter from Robert Torrens to Lord Goderich, dated 9th July 1832, relative to the charter for the incorporation of the South Australian Company, *App. p.* 3–16.

See also *Bank of South Australia. Roads. Whale Fishery.*

Spearman, A. Y. Letter from A. Y. Spearman to Mr. Under-secretary Stephen, dated 11 August 1836, transmitting opinion of Crown lawyers, that the financial control rests with the commissioners, *App. p.* 66.

Spirits. The emigrants are of sober industrious habits generally, but there is a considerable consumption of spirits in the colony, *M'Shane* 1445–1448——Spirits are subject to import duties, *Angas* 1859——Colonel Gawler has recently passed an Act prohibiting the distillation of spirits, *Angas* 2446.

Squatters. Impolicy of encouraging squatters, *Wakefield* 2674.

Stanley, Right hon. *E. G.* Conditions required by Mr. Secretary Stanley of the South Australian Association previous to granting them a charter of incorporation, *App. p.* 37, 38——Copy of letter from the Right hon. E. G. Stanley to W. W. Whitmore, M. P., dated 22d August 1833, with memorandum of the conditions upon which His Majesty's Government might proceed, *App. p.* 21.

Statistics of the Colony. Letter from the South Australian Commissioners to James Stephen, dated 22d February 1841, containing a statistical return of South Australia, for the half year ended 30th June 1840, *App. p.* 170——Statistical account of the colony of South Australia, for the half year ended the 30th June 1840, *App. p.* 170, 171.

Stewart,

Reports, 1841—*continued.*

Stewart, Hon. *J.* Letter from Hon. J. Stewart to R. W. Hay, dated 4th April 1835; opinion of the Lords of the Treasury, and of Commissioners of Audit, as to the personal responsibility of the South Australian Commissioners, *App. p.* 51.

Stephen, Mr. Secretary. Letter from Mr. Stephen to the Colonization Commissioners for South Australia, communicating the intention of Government to recal Captain Hindmarsh, *App. p.* 60, 61——Letter to the South Australian Colonization Commissioners, dated 10th May 1838, stating the consent of the Secretary of State to the proposed union of offices of Governor and Colonial Resident Commissioner in South Australia, *App. p.* 62 ——Letter from James Stephen to A. Y. Spearman, dated 19th August 1836, stating the consequences of the opinion expressed by the Crown lawyers, that the financial control rests with the commissioners, *App. p.* 66——Letter from the same to South Australian Commissioners, dated 25th February 1836, directing them to submit draft of their proposed bill for authorizing the raising of loans by annuities, *App. p.* 68——Letter from the same to R. Torrens, dated 5th July 1836, signifying that further amendments are required in the draft, and deferring the consideration of the question, *App. p.* 71—— Letter from the same to the South Australian Commissioners, dated 9th January 1837, asking further suggestions as to amendment of their Act, *App. p.* 74.

Letter from James Stephen to South Australian Commissioners, dated 28th January 1837, transmitting copies of correspondence with Board of Treasury and Crown lawyers, as to control of funds, *App. p.* 75——Letter from the same to the same, dated 23d March 1837, with reference to letters from their Board, of 17th August 1836, 24th February and 3d March 1837, *App. p.* 76——Letter from the same to the Colonization Commissioners, dated 20th July 1840, transmitting Treasury Letter, sanctioning the proposed loan, *App. p.* 91——Letter to the Colonization Commissioners, dated 28th September 1840, communicating the correspondence held with the Treasury, with answer to the holders of bills, *App. p.* 107——Letter to R. Gordon, dated 5th October 1840, transmitting further communication from Colonization Commissioners, *App. p.* 108——Letter to C. E. Trevelyan, dated 27th November 1840, referring to the Board of Treasury points from the despatch of Captain Grey to Lord John Russell, dated 18th November 1840, *App. p.* 137.

Letter from, to the South Australian Commissioners, dated 27th November 1839, transmitting Captain Grey's letter to Lord John Russell, enclosing summary of subjects on which he requests instructions, *App. p.* 138——Letter from J. Stephen to C. E. Trevelyan, dated 11th September 1840, transmitting to the Lords of the Treasury the Report of the South Australian Commissioners, of further embarrassments of the colony, with a review of facts, and proposing Parliamentary inquiry, *App. p.* 102——Letter from the same to the same, dated 14th September 1840, transmitting the statement of the South Australian Commissioners, of their assets and liabilities, *App. p.* 105.

Stone-cutters. On their arrival in the colony, in 1839, found ready employment at 12*s.*, 14*s.* or 15*s.* a day, *M'Shane* 1408, 1409.

Stores (Expenditure). The expenditure for stores may have been superfluous; there has certainly been very great extravagance in the colony, *Elliot* 711–713.

Stowe, Mr. The highest school in Adelaide was a classical academy conducted by the Rev. Mr. Stowe, *M'Shane* 1457, 1458——Extract of a letter from Mr. Stowe, on the state of the natives, *Ev. p.* 218, 219.

Superintendent of Emigration (Adelaide). Witness, as superintendent of emigration, had a salary of 140*l.* a year, with a free house, and other advantages, *M'Shane* 1497, 1498.

Surnames. The aborigines have a resemblance to the Jews, in the exchange of surnames with their friends, which is a practice mentioned in Isaiah, *Angas* 2417.

SURVEYS OF LAND IN THE COLONY:

1. *Necessity of early Surveys before the Purchase of Lands; unavoidable deviations from this rule in South Australia.*
2. *Authority given to Colonel Gawler with reference to Surveys.*
3. *Expenses of the Surveys; how far they exceeded the Estimates of the Commissioners.*
4. *In what manner the Expense of Surveys should be provided.*
5. *Practice of Special Surveys; its costliness; advantages and disadvantages.*
6. *Papers laid before the Committee.*

1. *Necessity of early Surveys before the Purchase of Lands; unavoidable deviations from this rule in South Australia:*

The surveys should always be kept in advance of the demand for land, *Rep. p.* xxi—— It is most desirable that the land should be surveyed before the emigrants are sent out, *Whitmore* 911——The commissioners were under engagements to put emigrants in possession of surveys of their purchases, *Torrens* 189——In consequence of the procrastination in the surveys, neither the company nor the emigrants could obtain possession

Reports, 1841—*continued.*

Surveys of Land in the Colony—continued.

1. *Necessity of early Surveys, &c.*—continued.

session of their lands till last year, *Angas* 411——Much land has been sold which is not yet surveyed, *Elliot* 1346–1348——If the surveying staff had gone out before the colonists, it might have been done at one-third of the expense, *Rundle* 1961——Discontent of settlers on finding that land which they had purchased had not been surveyed, *Hil.* 2229.

The Commissioners had relied upon the surveyors to keep always in advance of the sales, but the inefficiency of the latter frustrated this intention, *Hill* 2230–2232——None of the surveyors were admitted without examination or testimonials, *Hill* 2233–2236——The surveyors had lost or destroyed a great proportion of the instruments provided by the commissioners on the arrival of Colonel Gawler; their means of transport were probably insufficient, *Hill* 2237, 2238——The reputation of the colony had suffered from the backwardness of the survey, and would have suffered still more but for the measures of Colonel Gawler, *Hill* 2337–2341.

South Australia would not have been founded at all if Government had insisted upon a previous survey, *Wakefield* 2650——The surveys are always in advance of the sales in the United States, and are carried on very cheaply and very actively, *Wakefield* 2640, 2641.

2. *Authority given to Colonel Gawler with reference to Surveys:*

Extract from letter to Colonel Gawler, 2 December 1838, authorizing him to incur expenses on account of the survey, *Torrens* 182——Instructions were sent subsequent to 2d December 1838 to the surveyor-general, which limited Colonel Gawler's authority to spend money in surveys, *Torrens* 182–186. 194–196.

3. *Expenses of the Surveys; how far they exceeded the Estimates of the Commissioners:*

Colonel Gawler adopted a trigonometrical survey instead of a running survey, which cost much more, *Torrens* 176–179——There was so strong a feeling in South Australia against a running survey that the commissioners were forced to abandon it, *Hutt* 1104, 1105——The payments for salaries, and wages for the survey department, were at the rate of 25,000*l.* a year, *Elliot* 664——The permanent surveying staff might be maintained at an expense of 3,000*l.* a year, exclusive of labour; this statement confirmed by that of Captain Dawson with reference to New Zealand, *Elliot* 673–681——The expenses of surveying have been much increased by the high price of labour, *Hutt* 1106–1108.

Expense of surveys estimated by the commissioners, *Hill* 2208, 2209——The expenses of surveying greatly exceeded the estimate, *Hill* 2224, 2225——£.9,000 or 10,000*l.* would have been quite sufficient to defray all the expenses of surveys for three years, and to meet the wants of emigrants on their arrival, *Hill* 2239–2245——The demand for land increased so rapidly, that the allowance for surveying was raised from 3,000*l.* to 6,000*l.*, *Hill* 2246–2248——Estimate of the number of acres in South Australia to be surveyed, with the probable expense to be incurred, *Elliot* 3127–3129.

4. *In what manner the Expense of Surveys should be provided:*

The expense should be provided for by an acreable charge, to be paid by the purchaser, *Rep. p.* xi. xxii——It is the decided opinion of the commissioners that the expense of surveys ought to come out of the land revenues, *Elliot* 664——The expense of surveys should be paid out of the proceeds of the land, *Whitmore* 827–830——There would be no objection to charging the cost of surveys upon the emigration fund, provided the amount were defined, *Hutt* 1010–1012——The best plan of charging for surveys would be by a separate fee upon each sale of land, rather than by a deduction from the gross proceeds; the sum to constitute the price of the land, *Hutt* 1099–1104.

If the expense of the surveys were fixed, there would be no objection to paying them out of the emigration fund, *Hutt* 1168——Hitherto the expense of surveys has been equal to the balance now due to the emigration fund; so that, if the latter had been chargeable with them, there would be no fund to carry on emigration, *Elliot* 1338–1342——The survey should be provided for out of the land sales before emigration, *Elliot* 1336, 1337. 1343–1345——The land sales should be held liable to the expenses of surveys, *Rundle* 1955——There would be no objection to applying a definite sum, as 1 *s.* an acre, out of the proceeds of the land sales, to defray the expense of surveys, *Hill* 2254–2262.——The survey of a new colony ought to be undertaken at the expense of the State, but should be charged on the colony as a debt to be ultimately redeemed, *Wakefield* 2686–2688——The cost of survey in South Australia might very properly be added to the price of the land at so much an acre, so as not to affect the emigration fund, *Wakefield* 2689–2695.

5. *Practice of Special Surveys; its Costliness; Advantages and Disadvantages:*

Abandonment of special surveys recommended, *Rep. p.* xiii. xxi.——The system of special surveys has caused them to be carried on in an unnecessarily expensive manner, *Angas* 526——The expense of surveying has been much increased by the

Reports, 1841—*continued.*

Surveys of Land in the Colony—continued.

5. *Practice of Special Surveys, &c.*—continued.

the system of special surveys, to which parties purchasing 4,000 acres were entitled, and which were promoted, rather than limited, by the present Governor, *Hutt* 1109–1113——Colonel Gawler enabled a number of persons to club together for the purchase of 4,000 acres, and to demand a special survey, *Hutt* 1126–1130.

Examination of a minute of Captain Grey, stating the operation of special surveys upon the value of adjoining lands; injurious power of selection given to parties, *Hutt* 1126–1130——Objection to special surveys; that in some cases nearly the whole price of the land is spent in the survey, *Hutt* 1131–1132——The system of special surveys has had the effect of encouraging land jobbing, *Hutt* 1133–1136——Witness in 1838 formed the opinion that the special survey system would take away all the good land and leave the bad for those that came after, *Mann* 2127–2132. 2140–2148——The system of special surveys was unnecessarily expensive, *M'Shane* 1665–1673.

The special survey system caused great and mischievous expense, and encouraged land jobbing, *Wakefield*, 2890, 2891—— Special surveys at the expense of the parties might be permitted, if persons buying small quantities of land were not allowed to have the mouths of harbours and forks of rivers, *Wakefield* 2892, 2893——The special survey system gives a false appearance of prosperity, *Wakefield* 2894——Advantages and disadvantages of special surveys; the additional cost of them should have been defrayed by the individuals requiring them, *Torrens* 3071–3074.

6. *Papers laid before the Committee:*

Copy of a letter from R. Torrens and E. E. Villiers to J. Stephen, dated 11 December 1840, with memorandum on Captain Grey's minute, *App. p.* 140–145——Letter from R. Torrens and E. E. Villiers to J. Stephen, dated 12 December 1840, respecting the participation of members of the South Australian government in special surveys, *App. p.* 149——Land order for special survey, *App. p.* 145, 146——Copy of a letter from R. Torrens and E. E. Villiers, Esqrs. to J. Stephen, Esq., dated 12 December 1840, respecting that part of their memorandum on Captain Grey's minute relating to the mode of dealing with those special surveys of land which had been effected for the benefit of members of the Australian government, *App. p.* 149.

Extract of a despatch from the Colonization Commissioners, dated 23 May 1840, respecting the arrival of Lieutenant Frome, R. E. as surveyor-general, after Captain Sturt had been named for that office by the resident commissioner, *App. p.* 252, 253—— Letter from Colonel Gawler to Rowland Hill, enclosing copy of letter received from the surveyor-general, representing the necessity of a departure from his instructions with regard to the force to be employed under him in effecting the requisite surveys, *App. p.* 254, 255——Letter from the Colonization Commissioners to Colonel Gawler, acknowledging the receipt of his despatch dated 26 October 1839, with an enclosure from the surveyor-general, representing the necessity which exists for a departure from his instructions; reply thereto, *App. p.* 255, 256.

Memorial from the magistrates, merchants, and other inhabitants of South Australia, to the Secretary of State for the Colonies, dated Adelaide, 19 December 1839, respecting the survey of waste land, *App. p.* 283–285——Copy of a letter from the Colonization Commissioners for South Australia to Lord John Russell, dated 10 December 1840, accompanying a memorial from magistrates, merchants, and other inhabitants of the colony of South Australia, respecting the survey of waste lands, *App. p.* 285, 286———Extract from a despatch from Colonel Gawler, dated 16 February 1840, respecting the system of surveys, *App. p.* 286, 287——Copy of a despatch from Colonel Gawler to the Secretary of State for the Colonies, dated Adelaide, 27 June 1840, respecting the memorial adopted on the 19th December 1839 by the merchants, magistrates, and other inhabitants of South Australia, with reference to the surveys, *App.* p. 287–289—— South Australian resident commissioner's half-yearly report, to 30 June 1840, *App. p.* 295–297.

Sydney. Grain in Sydney has always been higher than in South Australia, *Angas* 1867——At Sydney the Government have put up half an acre of land in Bridge-street, the corner of Pitt-street, the minimum price of which is 9,000 *l.*, *Rundle* 1979–1981.

T.

Tattooing. The natives make deep gashes in the back and chest; this rite is performed to propitiate an imaginary deity, whom they call "Taruda," who was a man but afterwards became a kind of kangaroo; they suppose that if they attempted to hunt before this rite was practised they would be torn to pieces by this imaginary being, *Angas* 2417.

Taxation of the Colony. With the high wages and profit upon capital and rate of interest, the people could bear a greater pressure of taxation than in countries differently circumstanced, *Whitmore* 861–866——Calculation, founded upon the revenue of the two past quarters of 1839, that the taxation of the colony amounted to 30 *s.* a head; since that time taxation has risen to 2 *l.* a head, with an increased population, *Angas* 745–746.——

Reports, 1841—*continued.*

Taxation of the Colony—continued.

Amount of taxation per head in South Australia, and in Van Diemen's Land, New South Wales, and Western Australia, *Elliot* 923–927——At the time witness was in the colony (in 1838) the taxation was about 5 per cent. *ad valorem*; it is greater now, *Trimmer* 1234–1236.——*See also Revenue.*

Tillage in the Colony. It would appear by the last advices that tillage had commenced with highly promising results, and was proceeding upon an extended scale, *Torrens* 87, *Ev. p.* 9——There are about 2,000 acres under tillage in the whole colony, *Angas* 398–401.

Timber. A good deal of soft wood is imported into South Australia from New Zealand, *Trimmer* 1209–1212——There is abundance of hard wood in the colony, but a deficiency of soft wood, *Trimmer* 1218. *Angas* 1852, 1853.

Torrens, Colonel *Robert.* (Analysis of his Evidence.)—Was chairman of the original Board of Colonization Commissioners to the time of its dissolution, and is a member of the existing Board, 4–6——Has a statement of the whole proceedings of the original Board, extracted from the Minutes, 7–10——Will furnish correspondence with the resident commissioner, 11–13——Every material circumstance has been alluded to in the annual reports, 14–27——Colonel Gawler had no authority for any general deviation from his expenditure, 28–32——Instructions were not given defining precisely the limits between the authority of the governor and that of the resident commissioner, as the Act was not distinct upon that point, 35–37——Statement of the assets and liabilities of the colony for the years 1840–41, with explanations, 38——State of the colonial debt 1st January, 1840, 47——Sums borrowed under the amended Act, from the emigration fund, which were to be ultimately replaced, 48–55.

The Act requires that not more than one third of the emigration fund should be borrowed at the close of a year; but there is nothing to prevent the borrowing the whole fund two or three times over during the year, provided it be repaid, 56–65.——The commissioners have acted on this principle, and borrowed 95,000 *l.* from the emigration fund; the fund itself only amounting to 20,000 *l.*, 66–68——They exceeded the limits of one-third, by 75,000 *l.*, 69–71——In the course of the first year after the amended Act, 36,000 *l.* was borrowed, 72–74——Explanation of the financial state of the colony in January 1840, and of the subsequent liabilities and assets, 75——This statement reconciled with that made in the 4th annual report of the commissioners, 76, 77.

In consequence of their financial embarrassment the commissioners applied to the Colonial-office for advice in July 1840; they received the sanction of the Treasury to raise 120,000 *l.*, the remainder of their loan under the Act, but were unable to do so, 78, 79——Another letter was then addressed to the Colonial-office by the commissioners, and one to Lord J. Russell by witness, which was returned by him, 79–86——Copy of the letter, 87——Witness adheres to the opinions then stated by him, 88–96——State of the finances of the colony, 1st January 1841; amount of debts; if the accounts were now wound up, there would be a deficiency of 170,000 *l.*, 97–103——At that time 40,000 *l.* of bills drawn by Col. Gawler had been refused acceptance, and 20,000 *l.* more are expected before he receives instructions not to draw, 104–109——Witness denies that the commissioners have any limit imposed by the Act upon their power of borrowing, as stated in their letter 26th August, 110–117——There is now nothing left of the emigration fund; it was wholly exhausted about August, 118–120——The Act was not violated till the end of 1840, as there is no provision which forbids the borrowing any sum from the emigration fund, if it be replaced before the close of the year, 121–134——Further examination as to the construction of the Act, 135–146.

The occupied part of the colony comprises 3,000,000 acres; a great portion of the north west is barren, and much of the coast is hilly, bad land, 148–153——A loan of 150,000 *l.* would discharge existing liabilities and leave in the hands of the commissioners 52,000 *l.* for continuing emigration, 154——Witness's views as to the causes of present difficulties and the remedies that should be applied, 154–157——It was the duty of the commissioners early in 1840, before the unauthorized expenditure of Colonel Gawler, to negotiate a loan to repay the debt due to the emigration fund, 158–164——The report of the first commissioners, dated January 1840, was not actually signed until July 1840, 165–172——The overdrawing was done by officers under the authority of the first commission, who cannot, however, be responsible as regards measures which would have been taken if the fact had been known in this country, 172–175.

Colonel Gawler adopted a trigonometrical survey instead of a running survey, which cost much more, 176–179——Extract from letter to Colonel Gawler, 2d December 1838, authorizing him to incur expenses on account of the survey, 182——Subsequent instructions were sent to the surveyor-general, which limited Colonel Gawler's authority to spend money in surveys, 182–186. 194–196——The commissioners were under engagements to put emigrants in possession of surveys of their purchases, 189——There was no necessity for a large police force; the people ought to have protected themselves, 190–193——The colonial revenue had risen to nearly 30,000 *l.* a year; and there was 20,000 *l.* in addition upon which Colonel Gawler had authority to draw, 197–199——Extract from Journal of Council, 3d April 1840, stating Colonel Gawler's conviction of the necessity

Reports, 1841—*continued.*

Torrens, Colonel *Robert.* (Analysis of his Evidence)—*continued.*

necessity of incurring great expenses; how far witness concurs in the reasons given, 200.

If the commissioners had contracted a loan early in 1840, none of these difficulties would have occurred, 201-204——The bills came without any explanation or notice, 206-209——The loan of 120,000 *l.* might have been raised in July, had not the commissioners waited for the authority of the Chancellor of the Exchequer, 210-212——The crisis would have been averted if the money which the Act authorized to be borrowed had been raised in time, 213-215. 219-222——Rate of interest at which the commissioners have borrowed money; terms upon which part of the bonds were converted into annuities, 216-218——£. 120,000 would have covered all Colonel Gawler's bills, and would have left a surplus, 223, 224.

[Second Examination.]—Directly the commissioners received Lord John Russell's letter assuring them that Government would recommend Parliament to guarantee the repayment of a loan of 120,000 *l.*, they advertised for the loan, 225-227——They received only one tender from an insurance company, who undertook to lend the money when a Bill had passed through Parliament, 228-230——They then consulted the Chancellor of the Exchequer, who referred them to the Bank of England, 231——They did not succeed in obtaining a loan from the Bank; and they then reported their failure to the Secretary of State, 232-235——The Bank were not satisfied with the guarantee; Sir John Rae Ried said the Bank would be willing to lend the money if Government would pledge their responsibility to repay at a certain time, 236-240——They could have obtained the money through Mr. Angas, at 10 per cent. before they applied to the Bank; but the refusal of the Bank injured their credit, 241-245. 262.

The refusal of the Bank was conveyed by letter, without assigning reasons; the grounds of their refusal was collected from a conversation with Sir J. R. Reid, 246-253——Date of the first bill refused by the commissioners, 256——The Treasury Minute and Lord J. Russell's Instructions were read to the governor and deputy governor of the Bank by authority of the Chancellor of the Exchequer, 257, 258. 266, 267——During the negociation it was understood that the matter would be arranged, but some misunderstanding arose between the Chancellor of the Exchequer and the Bank as to the precise nature of the guarantee, 259-261——The ground upon which the negociation was broken off is not exactly known, 263-265——Statement of the whole proceedings contained in a letter to Lord J. Russell, 6th January 1841, 269——In reply to that letter, a communication was received from the Treasury, stating that nothing further could be done, except to apply to Parliament without delay, 270-273.

The distress in the colony occasioned by the dishonour of the bills will be very urgent; danger of a famine, as they depend upon imported food and have lost credit, 274, 275——The discredit would commence four months after the sailing of the ship (probably about Christmas) taking out the first protested bill, 276-284——A great shock would previously have been given to the colony by the instructions received by Colonel Gawler, in November, to stop drawing bills and to suspend the public works, 285——Had the loan been negociated in November, the credit of the colony would still have been shaken, but much distress would have been avoided, 286——Distress will be suffered by the discontinuance of the public works, 287-291——The colony grows about half its vegetable food, 293-301——Until last harvest there was little cultivation, 302——The labourers thrown out of employment could only get at the cattle and sheep by becoming plunderers, 302——A famine may be apprehended two months after the discredit of the colony, 303-305.

Explanations of former answers, 307, 308——Letter from the commissioners, 10 May 1839, respecting the land-surveying staff under Lieutenant Frome, their appointed surveyor-general, *Ev. p.* 34——Colonel Gawler thenceforth had no authority to exceed the expenses of Lieutenant Frome's staff in taking surveys, 313-317——The general expenditure of Colonel Gawler was expressly limited by his instructions; with respect to surveys, he had an unlimited power, until it was withdrawn on the appointment of a surveying staff, 318-322——Instructions contained in the Third Report, directing him to submit to the commissioners estimates of public works before he undertook them, 323, 324——He was instructed not to incur any extraordinary expense without previous authority, except in cases of the most pressing emergency; no such emergency has arisen to justify his expenditure, 324, 325——He commenced building the government-house without authority, but the commissioners afterwards sanctioned the expense, 326-330.

[Third Examination]:—Grounds upon which witness thought it necessary to draw up a separate letter to the Colonial Secretary, 17th September, stating his own peculiar views, 595-597——Explanations of part of former Evidence, 599-605.

[Fourth Examination]:—If a loan of 120,000 *l.* had been raised in June 1840, the calamities that have arisen might have been either entirely averted, or very much diminished, 3042-3059——Propriety of borrowing from the land sales of previous years defended in opposition to Mr. Elliot's evidence, 3060, 3061——Explanation of the "Financial Position" of the commissioners, from January to June 1840, 3062-3070——Advantages and disadvantages of special surveys; the additional cost of them should have

Reports, 1841—*continued.*

Torrens, Colonel *Robert.* (Analysis of his Evidence)—*continued.*

have been defrayed by the parties, 3071–3074——Some of the commissioners purchased land; quantity held by witness, 3075–3084——Witness always intended to receive a salary, and did receive it in 1837 for the whole period from 1835, 3085–3095——Mr. Angas left the commission, as he intended to make extensive purchases of land, and to enter into pecuniary transactions with the Board, 3096–3099——Circumstances under which witness purchased land, 3102–3108–3117——He considered the letter from the Colonial Office, discouraging the purchase of land by commissioners, to apply to future purchases only, 3100, 3101. 3109–3113——He afterwards, on considering that letter, tendered his resignation, 3113–3116——The Eighth Report of the commissioners was written at various times in 1840, but was not signed till July, 3118, 3119——Observations upon the evidence of Mr. Elliot, 3120–3124.

Torrens, Colonel, and *John Gliddon.* (Analysis of their Evidence.)—Evidence respecting the correspondence of the Board with the Colonial Office, on the subject of remuneration to the Commissioners; letters produced; members of the Board present upon different occasions, 1887–1900.——(Colonel *Torrens.*)—Witness was anxious to raise a loan in June, while the money-market was in a sound state and the colony in good credit; and not to lose time by previous communications with Government, 1900.——Corrections in the letter of the draft of Mr. Montefiore's letter of the 8th of January, 1904–1916.

Torrens, Colonel Robert. Letter from R. Torrens to Lord Goderich, dated 9 July 1832, relative to South Australia, and submitting draft of a proposed charter, *App. pp.* 1–16——Letter from the same to the same, dated 19 July 1832, signifying the willingness of the Company to modify the provisions of the charter, *App. p.* 17——Letter from, to Earl of Aberdeen, dated 13 February 1835, submitting names of the gentlemen proposed as Colonization Commissioners, *App. p.* 48.——Letter to R. W. Hay, dated 2 March 1835, with Mr. Freshfield's opinion as to the personal responsibility of the commissioner, *App. p.* 50——Letter from R. Torrens to Lord Glenelg, dated 14 December 1835, transmitting schedule of proposed civil establishment, *App. p.* 54.

Letter from Robert Torrens to Lord Glenelg, dated 22d December, 1837, urging the recall of Captain Hindmarsh from the government of South Australia, *App. p,* 56–60——Letter to James Stephen, dated 31st March, 1838, recommending the appointment of Colonel Gawler to the government of South Australia, *App. p.* 61——Letter to Mr. Stephen, dated 21st May, 1838, with reference to the union of offices of governor and colonial commissioner and proposed alteration in the financial instructions to Colonel Gawler, *App. p.* 63——Letter from R. Torrens to Lord Glenelg, dated 1 June, 1836, transmitting draft of Bill to authorize the raising of loans by annuities, *App. p.* 68——Letter from the same to Lord Glenelg, dated 17th August, 1836, submitting two plans for conducting the financial affairs of the colony, one under the commissioners and the other under the Secretary of State, *App. p.* 72.

Letter to Lord Glenelg, dated 22d December, 1837, transmitting minute of proposed arrangement for conducting correspondence, *App. p.* 80——Letter to J. Stephen, dated 22d December, 1837, in which the commissioners request an interview on the question of their remuneration, *App. p.* 81——Letter to J. Stephen, dated 24th August, 1839, stating the views of the late Board of Commissioners on report contained in the despatch of Governor Gawler to Lord Glenelg, dated 23d January 1839, on the disorganized state of the colony, *App. p.* 124.

Papers delivered in by Colonel Torrens divided into five periods: 1st, negociations with Government until the passing of the Act; 2d, from the passing of the South Australian Act to the gazetting of the first commission; 3d, from the gazetting of the commissioners to departure of the first governor; 4th, from the departure of Governor Hindmarsh to the appointment of Governor Gawler; 5th, progress of the colony under Colonel Gawler in 1839, *App. p.* 151–169——Papers delivered in by Colonel Torrens 5th March 1841, *App. p.* 200–205——Draft proposed to be substituted by him for the letters to the colonial department, dated 26 August and 17 September 1840, containing a full explanation of the situation of the colony of South Australia, in consequence of the inability of the commissioners to carry into effect the provisions of the South Australian Acts, *App. p.* 200, 203.

Papers delivered in by him 18th March 1841, *App. p.* 220, *et seq.*——Correspondence between Robert Torrens and Lord John Russell, in the latter part of 1840 and early part of 1841, respecting the resignation of Colonel Torrens as one of the Colonization Commissioners, under the circumstances of his having become possessed of land in South Australia, *App. p.* 268–272.

Torrens' Island. The nearest place where vessels get their water is Torrens' Island, about three miles from Adelaide, *Fell* 2852–2856.

Torrens' River. The River Torrens loses itself in a place called the Reed-beds, before reaching the port, terminating in a swamp like many other rivulets in Australia, *M'Shane* 1530.

Reports, 1841—*continued.*

Town Lands. The price of land at the port being 1,500 *l.* for an acre, arose from the company having expended about 22,000 *l.* in making a quay and wharf, and a road, and other improvements, *Angas* 743——Some of the town lands have been sold by the company for 1,500 *l.* or 1,800 *l.* per acre, of which about 10 per cent. was paid down, and the remainder made payable within seven years, *Wheeler* 768–772——In most cases the amount remaining unpaid bears interest, *Wheeler* 773——The company have the security of the land and of the buildings that may be put upon it; the conveyance has not yet been made by the company, *Wheeler* 774–778——In 1838 the people were gambling in town allotments, instead of cultivating the land, which was very prejudicial to their interests, *Mann* 2195——Under the American system of selling lands, enormous and immediate profits are made by companies when towns are established, *Wakefield* 2638, 2639.

Transfer of Property in the Colony. A tax on the transfer of property might be beneficially introduced, *Whitmore* 836.

Transmigration of Souls. The aborigines hold the doctrine of transmigration of souls; the soul, they say, lives in a place called "Tin-de," that is, in the grave, or stranger's country; it enters the infant in the womb, and at death goes back to "Tin-de," where it waits for another body, *Angas* 2417.

Trevelyan, C. E. Letter from C. E. Treveylan to J. Stephen, dated 18th July 1840, sanctioning the proposed loan of 120,000 *l.* *App. p.* 91——Letter from the same to J. Stephen, dated 5 December 1840, with the opinion of the Lords of the Treasury upon queries submitted to them in the despatch of Captain Grey to Lord John Russell, *App. p.* 138, 139.

Trigonometrical Survey. Colonel Light began a trigonometrical survey, but the Commissioners finding how slowly it proceeded, directed a running survey to be taken instead, to be afterwards checked by trigonometrical admeasurement, *Hill* 2251.

See also *Surveys.*

Trimmer, Edmund. (Analysis of his Evidence.)—Was in South Australia in 1838 for two months, 1189–1196——Formed a very high opinion of the capabilities of the country, and was induced to purchase land, 1197–1201——He is about to return and become a settler there, 1208–1209——A good deal of soft wood is imported into South Australia from New Zealand, 1209–1212——The houses in Adelaide are of brick, wood, and stone; there is good stone and slate in the neighbouring hills, and good brick earth and lime close to the town, 1213–1217——There is abundance of hard wood, 1218——One section was under cultiuation when witness was there, and the wheat and potatoes were up and looked promising, 1219–1222——Witness's observations of the state of the colony have been since very much confirmed by letters, 1223–1231.

The class of settlers appeared to be superior to those in New South Wales, 1232, 1233——The taxation was about 5 per cent. *ad valorem*; it is greater now, 1234–1236——Some of witness's lots are near the town and some further off; they were drawn for with others; great increase in the value, 1241–1265——Several persons have gone from New South Wales, and bought land in South Australia, 1266, 1267——The present port is in every respect a good one; it has been removed a mile lower down than it was, 1268.

Wages for mechanics and labourers, 1269–1271——Price of meal, 1272——Flour was brought from England and South America, and some from Van Diemen's Land, 1273–1275——The increased price of land is caused by the prosperity of the colony, and not by speculation, 1273–1277——There were 17 large ships of 400 or 600 tons; several of the smaller ones belonged to the shipowners at Adelaide, 1278, 1279——The whale fishery had made considerable progress at Encounter Bay, 1280.

Troops. There are no troops maintained in the colony, and that certainly forms a feature peculiar to South Australia, *Elliot* 687.

United States. The government of the United States would do well to adopt the uniform price for common lands, reserving the auctions for certain portions only, *Wakefield* 2715, 2716.

Value of Land in the Colony. Some town lots have been sold at from 200 *l.* to 1,000 *l.* an acre, and other lands have been let to farmers at a low rent, *Angas* 373, 374——Some town lots have sold as high as 1,500 *l.* an acre, payable by instalments of 200 *l.* a year for seven years; seven years is the longest credit given, *Angas* 378–390——Land (other than town lots) has generally been sold at from 3 *l.* to 5 *l.* per acre, *Angas* 391–393——Some of the town lots originally cost 5 *l.* or 6 *l.* an acre, or even 14 *l.* *Angas* 394, 395. 397——Some of witness's lots are near the town and some further off; they were drawn for with others; great increase in the value, *Trimmer* 1241–1265——Several persons have gone from New South Wales and bought land in South Australia, *Trimmer* 1266, 1267——Land has been sold for cultivation at 10 *l.* an acre in the neighbourhood of the town, *M'Shane* 1508——Six guineas an acre was the average price given by the original purchasers at a public auction for the land in

Reports, 1841—*continued.*

Value of Land—continued.

in Adelaide, *Rundle* 1989——The prospect of an increased value of land was to many the chief motive for emigrating and buying land, *Wakefield* 2613.

See also *Price of Land. Town Lands.*

Van Diemen's Land. In Van Diemen's land in 1835, the rate per head of the colonial revenue, exclusive of that from land, was about 2*l.* 9*s.* per head; and in 1838, 2*l.* 2*s.*, *Elliot* 923——A great number of ships ply between Adelaide and Van Diemen's Land; the voyage is about 10 days; it is sometimes effected in a shorter space of time, *Mann* 2157, 2158——There is a great export of wheat from Van Diemen's Land to South Australia, *Mann* 2167–2170——There have not been many complaints of persons emigrating from Van Diemen's Land to other Australian colonies; if wages are higher in any colony people will go there, *Mann* 2182.

Copy of a despatch from Lieutenant-governor Sir John Franklin to Lord John Russell, dated Van Diemen's Land, 22d October 1840, with regard to a measure in connexion with emigration, which if entertained, will be the means of increasing the source of revenue available for importing free labour into Van Diemen's Land, *App. p.* 276, 277.

Vegetables. In 1837 the ordinary vegetables, such as cabbages, cauliflower, brocoli, salad, and all those, were in sufficient abundance; dearer than here, certainly, *M'Shane* 1477.

Venereal Disease. It has always been considered that the natives of Australia had received the disease from Europeans, but that is not the case; first, because of their habits, which are such as inevitably produce that complaint; and in the next place, from their having words in their own language which describe every process of it, *Angas* 2416.

Villiers, Hon. *Edward.* (Analysis of his Evidence.)—One of the present Board of Colonization Commissioners of South Australia, 1922——The Commissioners would rather have violated the Act, than conformed to it, if they had endeavoured to raise a loan earlier last year, as they had a considerable sum in hand, 1924——Discussions in March as to raising a loan, 1925–1928——Tables of revenue and imports and exports delivered in, 1929–1934——Parties in England have purchased land upon the understanding that they should have the nomination of free emigrants; if the emigration fund be not replenished there will be a breach of faith towards them, 1935–1940——The emigrants also expect that the whole proceeds of the lands sales will be applied to emigration, 1941.

W.

Wages in the Colony. In 1838 the wages for mechanics were about 15*s.* a day, and for labourers, 8*s.*, *Trimmer* 1269–1271——The wages of labourers generally are higher in South Australia than in New South Wales and Van Diemen's land, *Elliot* 1353——In 1839 the rates of wages were, for labourers, 7*s.* a day, carpenters and masons, 12*s.*, 14*s.* or 15*s.* a day; stonecutters the same, and others in the same proportion, *M'Shane* 1408——In 1840 tradesmen's wages were extravagantly high, say 15*s.* per day for carpenters, bricklayers, &c. &c., *Ev. p.* 46.

Wages have been paid in money from the commencement of the colony, *Angas* 1687–1689——The rate of wages must fall considerably, and provisions will fall in a much greater proportion, *Angas* 1800——The rate of wages must be reduced when the governor discharges the men he is now employing on public works, *Angas* 1860–1864——If emigration had continued, the rate of wages would rather have increased, *Angas* 1862.

Wakefield, Edward Gibbon. (Analysis of his Evidence.)—Took an active part in the measures which led to the passing of the South Australia Act, and has since had a general knowledge of the affairs of the colony, 2559–2561——The immediate cause of its financial difficulty is the sudden and large expenditure of the local government; the remote cause the want of proper responsibility under the Act, 2562–2570——Amateur and dilettante nature of the commission; they were not bound to attend to their duties, 2571——The defective arrangements made by the Act arose partly from the novelty of the measure and partly from the compromises necessary to obtain any Act at all, 2572–2574.

It was desired to give the colonists a control over the government expenditure, as in the case of all colonies but New South Wales, but the promoters of the Act were obliged to be satisfied with what they could get, 2574, 2575——The Act involved the important principle of selling all land and of applying the proceeds to emigration, but in other respects was accepted as a compromise, 2575–2582——The experiment of this mode of emigration has been most successful, 2583——South Australia has never been a self-supporting colony, and has never been called so by witness, 2584——A colony must be in the first instance supported by money borrowed or given; the North American colonies were established at the expense of private persons, 2585–2588——The first proposal for founding South Australia was to grant a charter to a company, whose capital should provide for the early expenses of the colony, as in the case of the Plymouth Company of Virginia, 2589–2591——This scheme was abandoned on account of the difficulty of complying with conditions required by Lord Goderich and Lord Stanley; persons would not subscribe until they had a guarantee that Government would proceed with the measure, 2592–2601.

Reports, 1841—*continued.*

Wakefield, Edward Gibbon. (Analysis of his Evidence)—*continued.*

If Government had been anxious for the welfare of the colony, the necessary funds might have been borrowed upon their guarantee, and charged upon the colony, 2602–2607——If the price of land had been fixed in the first instance at 20 *s.* an acre, instead of 12 *s.*, an equal number of persons would have emigrated upon speculation, 2608–2610——Letter addressed by witness to the commissioners, 2d June 1835, as to the price of land to be fixed; the necessity of fixing a sufficient price in the first instance, and the principles which should be kept in view in arranging sales of land, *Ev. p.* 232–239——The principle of auction has been adopted by the United States, but witness has become convinced that a uniform price is preferable, 2611——If that plan had been adopted in South Australia, the land sales would not have exceeded their present amount, 2612——The prospect of an increased value of land was to many the chief motive for emigrating and buying land, 2613.

Private persons had the benefit arising from enhanced prices, which the Government might have secured, as in the case of Melbourne; but then there might have been no colony at all, as there would have been no inducement to purchase, 2614–2631——Colonies are much better founded when companies assist, 2632——Before a colony is founded, land has no marketable value; when the property of particular individuals has been determined, their superior position possesses a marketable value, 2633.

In the United States the price at which land is sold, although put up to auction, is practically very little higher than the minimum, 2634–2637——Under the American system enormous and immediate profits are made by companies when towns are established, 2638, 2639——The surveys are always in advance of the sales in the United States, and are carried on very cheaply and very actively, 2640, 2641——Under any system of disposing of lands some persons must have the first choice, either by applying first or by lottery, 2642–2649——Before the best mode can be determined, it must be known whether the country has been previously surveyed or not, 2649.

South Australia would not have been founded at all if Government had insisted upon a previous survey, 2650——Lord Goderich objected to the colony the want of an exploration with respect to its natural features, and not the want of a survey for the disposal of land, 2651——In the case of Port Philip the Government has obtained the premium upon land instead of individuals, but the circumstances were very different from those of South Australia, 2652–2657——The same system in the latter place would not have realized an equal profit, as there would not have been the same competition, 2658, 2659——Half the town of Adelaide was sold by auction, and the average price obtained by Government was 6 *l.* per acre, 2660.

If Government is to found a town, it ought to get a premium for favourable portions by auction, 2662——Except in the case of towns and suburban lands, auction is contrary to the principle upon which the sale of land is founded, viz. the obtaining a sufficient price to secure hired labour for the land, 2662, 2663——Inconveniences attending a system of auction, in addition to the objection in point of principle; hardship on persons of experience and capital, who have discovered good spots at some expense, to be outbidden by others, 2664–2669.——In America, parties, in order to avoid this, do not bid at the auction, but buy the land afterwards at the upset price, 2670–2673——Impolicy of encouraging squatters, 2674.

As it is important to realize as large a fund as possible for the expenses of a new settlement, auction might be introduced, but with care that the labourers are not taxed too much by it, 2677–2681——Land may be advantageously sold in small lots that a poor man might buy out of his savings, 2683–2685——The survey of a new colony ought to be undertaken at the expense of the state, but should be charged on the colony as a debt to be ultimately redeemed, 2686–2688——The cost of survey in South Australia might very properly be added to the price of the land, at so much an acre, so as not to affect the emigration fund, 2689–2695.

The price of land has been too low in South Australia, and labourers, taking advantage of it, have clubbed together and bought land, instead of working for hire, and have thus raised wages enormously, which is a great evil, 2696–2703——It is important that the price of land in neighbouring colonies should be nearly equal, to prevent emigration from one to the other, 2704–2707——In New Zealand the land is sold at the uniform price of 1 *l.*, 2708–2711——Great mischief will arise there from the want of surveys; a survey must precede the actual giving possession, 2712, 2713——The government of the United States would do well to adopt a uniform price for common lands, reserving the auctions for certain portions only, 2715, 2716——If a proper price were put upon land in a new colony, the proceeds would be sufficient not only for emigration, but for the repayment of any debt, the government establishments, and improvements, until the country became entirely settled, 2717–2729——The price should be gradually raised till the state of the colony shows that the proper point has been arrived at, 2730–2732.

[Second Examination.]—The special survey system caused great and mischievous expense, and encouraged land jobbing, 2890, 2891——Special surveys, at the expense of the parties, might be permitted if persons buying small quantities of land were not allowed to have the mouths of harbours and banks of rivers, 2892, 2893——The special survey system gives a false appearance of prosperity, 2894——£.1 an acre is merely a nominal price,

Reports, 1841—*continued.*

Wakefield, Edward Gibbon. (Analysis of his Evidence)—*continued.*

price, and makes land so accessible as to withdraw labour for hire from the market, 2895——The best land would sell for 2 *l.* or 3 *l.* an acre, as well as it did some years since for 5 *s.* in New South Wales, 2896——Principle upon which a medium price might be determined, 2897–2899——A low price encourages land speculation in distant parts of the colony, 2900, 2901; and throws away much public property, 2902; and will render necessary a wild-land tax, as in the United States, 2903, 2904.

The price of land should be gradually raised, beginning at 2 *l.* as the minimum, 2905–2911——An Act should pass disabling Government from again lowering the price, 2912–2915——The sale of lands should be managed by an officer of this country, who should keep the same minimum price in all the Australian colonies, 2916–2921——The maximum price would depend upon the competition, 2922, 2923——The rise in the price of land would at first diminish the sales, and induce individuals to sell their lands, thus giving a double check to emigration, 2924–2936——Increased confidence, however, would be raised in the success of the colony, and the proportion of lands now appropriated is relatively small; persons also would prefer buying land the price of which would be applied to emigration, 2937–2949——Labourers cannot emigrate without assistance, the plan of advancing them sums to be repaid in the colony has never answered, 2950–2955——No check was sustained by New South Wales in 1831 from the increased price of land, but an impulse was given, 2956–2962——New South Wales and Van Diemen's Land have derived great benefits from convict labour, 2963–2972.

Evils of the second Australian Act, in facilitating loans from the emigration fund; encouragement given to unnecessary expense 2973–2984——If the embarrassments of the colony had been relieved by a loan, they would have only been greater in the end, 2985–2989——The establishment of new colonies encourages the colonizing spirit, and increases emigration to all the colonies; yet there is great jealousy amongst the different colonies, 2990–3000——South Australia should be managed as a Crown colony, and not by the commissioners, 3001–3011——Objections to the application of any portion of the land fund to any purposes but emigration, 3012–3020——at all events, the proportion to be applied to other purposes should be fixed, 3020, 3021——Critical state of New South Wales caused by the withdrawal of convict labour, and the insufficient supply of free labour by emigration, 3022–3029.

Wakefield, Edward Gibbon. Copy of a memorial of bankers, merchants, &c. interested in the colony of South Australia, delivered in by Edward G. Wakefield on the 30th March 1841, *App. p.* 272——Letter from E. G. Wakefield to the Colonization Commissioners, dated 2d June 1835, respecting the Colonization of South Australia, *App. p.* 332–339.

Water. Abundant supply of water in the colony, *M'Shane* 1512–1516——In the hills there is abundance of water for the sheep and cattle, *M'Shane* 1519——Difficulty experienced by witness in 1838 in watering his ship on leaving Adelaide Harbour; there was no good water at what they called the Port, *Driver* 2493–2496, 2544–2549——Witness had from 22 to 24 casks of water, and paid as many guineas for them, *Driver* 2496——There is water about a mile and a half from the beach at Holdfast Bay; it cost witness about 1 *l.* a ton, *Fell* 2764, 2765.

Western Australia. Estimate of the revenue of Western Australia, as compared with the population in 1839, *Elliot* 925.

Whale Fishery. Means taken for establishing a sperm and black-whale fishery, *Angas* 364——The company are withdrawing from the sperm-whale fishery, but it will fall into private hands, *Angas* 747, 748——The object of the company has been not to compete with private capital, and it has therefore withdrawn from the whale fishery as other parties undertook it, *Wheeler* 782, 783——In 1838 the whale fishery had made considerable progress at Encounter Bay, *Trimmer* 1280——The whale fishery is carried on by boats, *M'Shane* 1653-1656.

Wheeler Edmund John. (Analysis of his Evidence.)—Manager of the South Australian Company since its foundation, 752-754——Amount of subscribed and of paid-up capital, 755, 756——Amount of circulation and specie in hand at the date of the last return, 757–759. 763, 764——Number of acres held by the company; quantities purchased at first, and by virtue of special surveys; amount of land orders bought, 760–762——Other liabilities of the bank, 765——The transactions of the bank are kept quite distinct, 767.

Some of the town lands have been sold by the company for 1,500 *l.* or 1,800 *l.* per acre of which about 10 per cent. was paid down, and the remainder made payable within seven years, 768–772——In most cases the amount remaining unpaid bears interest, 773——The company have the security of the land and of the building that may be put upon it; the conveyance has not yet been made by the company, 774-778——There have been no complaints of irregularity in the payment of instalments, 779, 780——The company made cash payments for a road constructed by them across a swamp, 781——The object of the company has been, not to compete with private capital, and it has therefore withdrawn from the whale fishing as other parties undertook it, 782, 783——The object of the company has been to assist the resources of the colony, and have used caution in fostering none but proper commercial transactions, or such as would promote production and exports,

Reports, 1841—*continued.*

Wheeler, Edmund John. (Analysis of his Evidence)—*continued.*

ports, 784——They have discouraged land speculation; they have sold little of their own land, and have entrusted their manager with limited powers of sale, 784, 785.

The land speculation at the beginning was chiefly carried on by parties because they had nothing else to do, as the lands were not surveyed; it has now nearly subsided, 788——The company have sent out about 30 farmers and their families, each taking one or two labourers besides, 789, 790——The land under cultivation was about 2,000 acres, but will be much increased in the present year, 791——The company have entered into an agreement with one party to lease 2,000 acres at 4*s.* 6*d.* an acre, with a power of redemption within seven years, at 3*l.* 10*s.* an acre, 792–796——The company have advanced money to the farmers they have sent out, as an inducement to them to cultivate; the manager has exceeded the stipulated amount, 796——The wheat and barley grown is of very good character, 797–799——The extent of enclosed and farming land is caused by the encouragement given to the farmers and by the good crops, 800.

The company hold some of the protested bills; the return of them to the colony would injure the company, by reason of the distress that would be occasioned, 801–804——The bills have been protested, to comply with the law, but they have been retained, and attested copies sent to Australia, 805——The colony will be anxiously waiting for news of the meeting of Parliament, and a remedy now applied will be in time to prevent the actual occurrence of distress, 806, 807——The company hold protested bills to the amount of 2,500*l.*, 808, 809——If nothing is done shortly, the company will have no alternative but to return the bills, and come upon the indorsers, 810–812.

[Second Examination.]—The South Australian Company have not many ships of their own trading between London and Australia, 2867, 2868——The rate of insurance is the same to Adelaide as to Sydney, 2869, 2870——Size of the ships that have entered the harbour of Adelaide; draught of water, 2871–2873——No vessel that has left any port of England for South Australia has sustained any damage, 2874–2876——Most of the vessels enter the harbour of Adelaide, 2877, 2878——The larger ships land their emigrants at Holdfast Bay with a view of saving provisions for so many miles, 2879, 2880——With a fair wind there is no difficulty, at any season of the year, of entering the harbour at high water, 2881, 2882.

Whitmore, Woolryche. (Analysis of his Evidence.)—The Act under which the colony of South Australia was established was brought into Parliament by witness in 1834, 813–816——He has since taken an interest in the colony, and is of opinion that its success has been complete, 817–819——It has surpassed his expectations, 820, 821——The financial difficulties are of a trifling nature, when the necessity of a large outlay at first, and the resources of the country are considered, 822——The expenditure may have been larger than it should have been in so short a time, but it has been of a nature that must have been incurred sooner or later, 823——A considerable expense of outfit was anticipated, but a precise estimate could not be made, and difficulties existed in getting the Act passed at all, 824, 825——When a colony is first established, it may be necessary to apply a portion of the land fund to local improvements, but not afterwards, 826–831.

The expense of surveys should be paid out of the proceeds of the land, 827–830——A debt was contemplated in the case of South Australia, but only on the security of its own revenues, 832–835——Considering the short time the colony has been established, its rapid progress, and the few sources of taxation yet in existence, there is no doubt that the revenue will meet all expenses and the interest of the debt, 836——All that is required is a guarantee from Government, in order that the loan may be raised at a low rate of interest, 837–842——It was originally proposed that there should be a joint-stock company, with a paid-up capital, to which Government objected, 843–846.

Government should be very cautious in giving facilities to a new colony to raise money at a low rate of interest, 847——A great increase of population and capital are to be expected; more taxes could be imposed, and the expenditure reduced so that the revenue could meet the debt, 848–860——With the high wages, and profit upon capital, and rate of interest, the people could bear a greater pressure of taxation than in countries differently circumstanced, 861–866——Witness's estimate of future expenditure, and of the interest on the debt, examined, 867–874——The large police force is rendered necessary by the escape of convicts from the penal settlements, which was not anticipated, and which is a hardship upon the colony, 875–887——In any new colony, a considerable police force must be required to maintain the public peace, 888–896.

Statistics of South Australia drawn up by Mr. Angas, showing a capital of 2,506,840*l.* in the colony, produced in order to prove the power of repaying advances, 900, 901——At an early period the colonists ought to have some degree of control over their expenditure and taxation, 902, 903——An alteration of the Act would be necessary, to enable the commissioners to apply any portion of the proceeds of land sales to other purposes than emigration, 904, 905——A higher price than 1*l.* an acre might be taken, as the land is already cleared; cost of clearing land in Kangaroo Island, New Zealand and Canada, 906.

Necessity of having capital at the first establishment of a colony; success of South Australia mainly attributed to the South Australian Company, and to their admirable

Reports, 1841.—*continued.*

Whitmore, Woolriyche. (Analysis of his Evidence)—*continued.*

management, 907, 908——Witness would revert to the principle of a joint-stock company having a subscribed capital paid up, in order to facilitate the early progress of a colony, 909, 910——It is most desirable that the land should be surveyed before the emigrants are sent out, 911.

Whitmore, W. W., M.P. Letter from W. W. Whitmore to the Right hon. E. G. Stanley, dated 6th July 1833, containing a modified plan for establishing a colony in South Australia, *App. p.* 19.

Wild-land Tax. A low price of land will render necessary a wild-land tax, as in the United States, *Wakefield* 2903, 2904.

Willinga. In Willinga there is an inn, a police-station, 12 houses, 50 acres crop, and a slate-quarry, worked by M'Loud, *Rundle* 1979.

Wool. There has been an export of wool from the colony, *M'Shane* 1517.

Y.

York Promontory. The land on the other side York Promontory is not near enough nor high enough to be any protection to vessels lying in Holdfast Bay, *Driver* 2479.

